Information Memorandum
Dated: January 18, 2019
(Private & Confidential)

CESC VENTURES LIMITED
(FORMERLY RP-SG BUSINESS PROCESS SERVICES LIMITED)

Our Company was incorporated as "RP-SG Business Process Services Limited", a public limited company under the Companies Act, 2013 pursuant to a certificate of incorporation dated February 7, 2017 issued by the Registrar of Companies, West Bengal at Kolkata ("**RoC**"). The name of our Company was subsequently changed to "CESC Ventures Limited" and a certificate of incorporation pursuant to change of name was issued by the RoC on December 13, 2018. Our registered office is as mentioned below and there has been no change in our registered office since incorporation.

Corporate Identity Number: U74999WB2017PLC219318
Registered Office: CESC House, Chowringhee Square, Kolkata 700 001, West Bengal, India
Contact Person: Sudip Ghosh; **Tel**: +91 33 2225 6040
E-mail: cescventures@rp-sg.in; **Website**: www.cescventures.com

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

OUR PROMOTERS: SANJIV GOENKA AND RAINBOW INVESTMENTS LIMITED

Information Memorandum for listing of 2,65,11,409 equity shares of ₹10 each of our Company

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Equity Shares of our Company unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Equity Shares of our Company. For taking an investment decision, investors must rely on their own examination of our Company, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Information Memorandum. **Specific attention of the investors is invited to the section "*Risk Factors*" beginning on page 15**.

OUR COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to our Company, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The Equity Shares are proposed to be listed on the BSE Limited ("**BSE**"), The Calcutta Stock Exchange Limited ("**CSE**") and the National Stock Exchange of India Limited ("**NSE**"), (hereinafter collectively referred to as the "**Stock Exchanges**"). For the purposes of listing of our Equity Shares pursuant to the Scheme, NSE is the Designated Stock Exchange. Our Company has received in-principle approval for listing from BSE, CSE and NSE on December 27, 2018, January 4, 2019 and December 17, 2018 respectively.

Our Company has submitted this Information Memorandum to BSE, CSE and NSE and the Information Memorandum shall be made available on our Company's website at www.cescventures.com/. This Information Memorandum would also be made available on the respective website of the Stock Exchanges at www.bseindia.com, www.cse-india.com and www.nseindia.com.

REGISTRAR TO THE COMPANY

LINK Intime

Link Intime India Private Limited
C 101, 1st Floor, 247 Park,
L B S Marg, Vikhroli West,
Mumbai – 400083
Tel: +91 22 49186000 | Extn: 2375
Email: priya.agarwal@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Priya Agarwal
SEBI Registration No: INR000004058

CESC VENTURES LIMITED * KOLKATA *

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

This Information Memorandum uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings ascribed to such terms herein, and references to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification will include any amendments or re-enactments thereto, from time to time.

Notwithstanding the foregoing, terms in "*Main Provisions of the Articles of Association*", "*Statement of Tax Benefits*", "*Industry Overview*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Risk Factors*", "*Financial Statements*", "*Outstanding Litigation and Other Material Developments*" and "*Scheme of Arrangement*", shall have the meaning ascribed to such terms in those respective sections.

Company and Scheme Related Terms

Term	Description
"the Company", "our Company", and "Resulting Company"	CESC Ventures Limited (formerly RP-SG Business Process Services Limited), a company incorporated in India under the Companies Act, 2013, with its Registered Office situated at CESC House, Chowringhee Square, Kolkata 700 071, West Bengal, India
"we", "us" and "our"	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries on a consolidated basis
AoA/Articles of Association/Articles	The articles of association of our Company, as amended from time to time
Appointed Date	Opening of business hours on October 1, 2017
Associate Company	Nanobi Data and Analytics Private Limited. For further details, see "*History and Certain Corporate Matters- Our Associate Company*" at page 98.
Audit Committee	The audit committee of our Company, constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, as described in "*Our Management*" on page 111.
Auditor/Statutory Auditor	The statutory auditor of our Company, being M/s. Batliboi, Purohit & Darbari
Board/Board of Directors/Directors	The board of directors of our Company, or a duly constituted committee thereof
CESC/ Demerged Company	CESC Limited
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company, constituted in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as described in "*Our Management*" on page 115.
CRISIL Research	CRISIL Research, a division of CRISIL Limited
Demerged Company 2	Erstwhile Spencer's Retail Limited
Draft Information Memorandum/DIM	The draft information memorandum dated November 30, 2018 filed with the Stock Exchanges, issued in accordance with the applicable laws prescribed by SEBI
Director(s)	The director(s) on our Board
Effective Date	October 12, 2018
Eligible Shareholder (s)	Shall mean eligible holder(s) of the Equity Shares of CESC Limited as on the Record Date
Equity Shares	The equity shares of our Company of face value of ₹ 10 each
Erstwhile Spencer's Retail Limited	The erstwhile company named Spencer's Retail Limited, incorporated in India under the Companies Act, 1956 on November 22, 2000, bearing corporate identification number U51229WB2000PLC154278
Financial Statements	The standalone and consolidated Ind As financial statements of the Company since incorporation till the period ended March 31, 2018 and for the six months ended September 30, 2018

Term	Description
FSL	Firstsource Solutions Limited
Fugitive Economic Offender	An individual, who is/has been declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
Group Companies	The companies (other than promoter(s) and subsidiaries) with whom our Company had related party transactions, during the period for which financial information is disclosed in this Information Memorandum, as covered under the applicable accounting standards. For further details, see "*Promoters, Promoter Group and Group Companies*" on page 119.
Independent Director(s)	The Independent Directors of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013
Information Memorandum/IM	The information memorandum dated January 18, 2019 to be filed with the Stock Exchanges
IT Undertaking	All the business and undertaking of CESC Limited engaged, *inter alia*, in owning, operating and promoting business in the field of information technology, business process management and such other ventures in relation to and identified as pertaining to the IT Undertaking and shall include ancillary and support services in relation to the same. For details, see "*Scheme of Arrangement*" at page 103.
Key Managerial Personnel/KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, together with the key managerial personnel of our Company in terms of Section 2(51) of the Companies Act, 2013 and as described in "*Our Management*" on page 110.
Materiality Policy	The policy adopted by our Board on November 14, 2018 for identification of material group companies, outstanding material litigation, outstanding material dues to creditors, pursuant to the requirements under the SEBI ICDR Regulations for the purpose of the disclosure in the Draft Information Memorandum and this Information Memorandum
MoA/Memorandum of Association	The memorandum of association of our Company, as amended from time to time
NCLT	The National Company Law Tribunal, Kolkata Bench
Net Worth	On a standalone basis, net worth has been arrived at the aggregate value of the share suspense account (pending allotment as on March 31, 2018 and September 30, 2018 respectively), and other Equity as per the Financial Statements as on March 31, 2018 and September 30, 2018 respectively. Other equity includes balances of (i) Capital Reserve pursuant to the Scheme; and (ii) retained earnings. On a consolidated basis, net worth has been arrived at the aggregate value of the share suspense account (pending allotment as on March 31, 2018 and September 30, 2018 respectively), and other Equity as per the Financial Statements as on March 31, 2018 and September 30, 2018 respectively. Other equity Includes balances of (i) capital reserve pursuant to the Scheme; (ii) retained earnings; (iii) employee stock option reserve; (iv) effective portion of cash flow hedges;(v) FVTOCI reserves; (vi) foreign currency translation reserve; and (vii) other reserve balances, including that for non-controlling interest, each as on March 31, 2018 and September 30, 2018 respectively.
Nomination and Remuneration Committee/NRC	The nomination and remuneration committee of our Company, constituted in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, as described in "*Our Management*" on page 113.
Promoters	The promoters of our Company, being Sanjiv Goenka and Rainbow Investments Limited. For further details, see "*Our Promoters, Promoter Group and our Group Companies*" on page 116.
Promoter Group	Persons and entities constituting the promoter group of our Company in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations.
Record Date	October 31, 2018
Registered and Corporate Office	The registered office of our Company situated at CESC House, Chowringhee Square, Kolkata 700 071, West Bengal, India

Term	Description
Registrar of Companies/RoC	The Registrar of Companies, West Bengal situated at Kolkata
Registrar and Transfer Agent/Registrar to the Company/Registrar	Link Intime India Private Limited
Retail Undertaking 1	Means and includes all the business, undertakings, properties, investments and liabilities of whatsoever nature and kind and where so ever situated, of CESC Limited, in relation to and pertaining to the retail business on a going concern basis, as on the Appointed Date, together with all its assets and liabilities
Retail Undertaking 2	Means and includes all the business, undertakings, properties, investments and liabilities of whatsoever nature and kind and where so ever situated, of erstwhile Spencer's Retail Limited, in relation to and pertaining to the retail business on a going concern basis, as on the Appointed Date, together with all its assets and liabilities
Scheme/Composite Scheme of Arrangement/Scheme of Arrangement	Composite Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 amongst CESC Infrastructure Limited, erstwhile Spencer's Retail Limited, Music World Retail Limited, Spen Liq Private Limited, New Rising Promoters Private Limited, CESC Limited, Spencer's Retail Limited (formerly RP-SG Retail Limited), Haldia Energy Limited, Crescent Power Limited and our Company, and their respective shareholders, sanctioned by the National Company Law Tribunal, Kolkata bench on March 28, 2018
Share Certificate	The certificate in respect of the Equity Shares allotted to a folio
Shareholders	Shareholders holding Equity Shares of our Company, from time to time
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Company, constituted in accordance with Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, as described in "*Our Management*" on page 114.
Subsidiaries	The subsidiaries of our Company. For the details of our subsidiaries, please refer to "*History and Certain Corporate Matters-Subsidiaries*" at page 86.

Conventional and General Terms and Abbreviations

Term	Description
AGM	Annual general meeting
AIF(s)	Alternative Investment Funds
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGST Act, 2017	Central Goods and Services Tax Act, 2017, as amended
CPC/ Code of Civil Procedure	Code of Civil Procedure, 1908, as amended
CrPC	The Code of Criminal Procedure, 1973, as amended
CSE	Calcutta Stock Exchange
Companies Act/ Companies Act, 2013	Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder
Competition Act	Competition Act, 2002, as amended
CSR	Corporate Social Responsibility
Demat	Dematerialised
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
Depositories Act	The Depositories Act, 1996, as amended

Term	Description
Designated Stock Exchange	The National Stock Exchange of India Limited
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP ID	Depository Participant's Identity number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extra-ordinary general meeting
EPS	Earnings per share
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FDI Policy	The consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
FEMA	The Foreign Exchange Management Act, 1999 read with rules, regulations, notifications, circulars and directions thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
Financial Year/Fiscal/Fiscal Year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Provided that other than in the section "Industry Overview" in this Information Memorandum "Fiscal 2018" shall mean the period commencing from the incorporation of our Company i.e. February 7, 2017 till March 31, 2018.
FPIs	Foreign Portfolio Investors, as defined under SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GoI/Central Government/Government	The Government of India
GST	Goods and services tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
IGST Act, 2017	Integrated Goods and Services Tax Act, 2017, as amended
Income Tax Act	Income Tax Act, 1961, as amended
Ind AS	Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as notified under Rule 3 of Companies (Indian Accounting Standard) Rules, 2015
Indian GAAP/IGAAP	In accordance with the accounting principles generally accepted in India, including the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014
INR/Rupee/₹/Rs.	Indian Rupee, the official currency of the Republic of India
IT	Information Technology
LLP	Limited Liability Partnership
M&A	Mergers and acquisitions
MCA	Ministry of Corporate Affairs, GoI
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
Notified Sections	Sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect

Term	Description
NR/Non-resident	A person resident outside India, as defined under the FEMA and includes an NRI
NRI	Non-Resident Indian as defined under the FEMA Regulations
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
RBI	Reserve Bank of India
SCRA	Securities Contract (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI Circular	Circular No. CFD/DIL3/CIR/2017/21 issued by SEBI dated March 10, 2017 on Schemes of Arrangement, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SGST Act, 2017	State Goods and Services Tax Act, 2017, as enacted by various state governments
STT	Securities Transaction Tax
Stock Exchanges	BSE, CSE and NSE
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

Industry Related Terms

Term	Description
BFSI	Banking, Financial Services and Insurance
BPO	Business process outsourcing
CRM	Customer Relationship Management
ERP	Enterprise resource planning
ITeS	Information technology enabled services
SCADA	Supervisory control and data acquisition
RPA	Robotic Process Automation

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Information Memorandum to "India" are to the Republic of India.

Unless stated otherwise, all references to page numbers in this Information Memorandum are to the page numbers of this Information Memorandum.

Financial Data

Unless stated otherwise, the financial data in this Information Memorandum is derived from our Financial Statements. Our Company publishes its Financial Statements in Indian Rupees.

Our Financial Statements, including the reports issued by the Statutory Auditor included in this Information Memorandum, have been prepared in accordance with Ind AS and the Companies Act, 2013. Our Company's Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that calendar year, so all references to a Financial Year or Fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that calendar year. Unless the context requires otherwise, all references to a year in this Information Memorandum are to a calendar year and references to a Fiscal/ Fiscal Year are to the year ended on March 31, of that calendar year.

Certain figures contained in this Information Memorandum, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Information Memorandum has been obtained or derived from publicly available information as well as industry publications and sources.

Information has been included in this Information Memorandum based on a report published by CRISL Research, (the "**CRISIL Research Report**") as well as publicly available documents and information, including, but not restricted to materials issued or commissioned by the Government of India and certain of its ministries, trade, and industry specific publications, and other relevant third-party sources. For details of risks in relation to the CRISIL Research Report, see "*Risk Factors - We have not independently verified certain data in this Information Memorandum, which might have certain limitations*." at page 20.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although we believe that the industry and market data used in this Information Memorandum is reliable, it has not been independently verified by us and our affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. The extent to which the market and industry data used in this Information Memorandum is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

The CRISIL Research Report contains the following disclaimer:

"CRISIL Research, a division of CRISIL Limited ("**CRISIL**") has taken due care and caution in preparing this report titled "*CRISIL Industry Report on IT Enabled Services-October 2018*" (the "**Report**") based on the information obtained by CRISIL from sources which it considers reliable (the "**Data**"). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data or the Report and is not responsible for any errors or omissions or for the results obtained from the use of the Data or the Report. The Report is not a recommendation to invest or disinvest in any entity covered in the Report and no part of the Report should be construed as an expert advice or investment advice or any form of investment banking activity (within the meaning of any law or regulation). CRISIL especially states that it has no liability whatsoever to the subscribers, users, transmitters or distributors of the Report. Without limiting the generality of the foregoing, nothing in the Report will be construed as CRISIL providing, or intending to provide, any services in jurisdictions where CRISIL does not have the necessary permission or registration to carry out its business activities in this regard. The Company will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research, a division of CRISIL, operates independently of, and does not have access to information obtained by CRISIL's Ratings Division or CRISIL Risk and Infrastructure Solutions Ltd ("**CRIS**"), which may, in their regular operations, obtain information of a confidential nature. The views expressed in the Report are that of CRISIL Research and not of CRISIL's Ratings Division or CRIS. No part of the Report may be published or reproduced in any form without CRISIL's prior written approval**."**

Currency and Units of Presentation

All references to "*Rupees*" or *"₹"* or "*Rs.*" or "*INR*" are to Indian Rupees, the official currency of the Republic of India.

In this Information Memorandum, our Company has presented certain numerical information. All figures pertaining to the financial information of our Company on a standalone basis have been presented in ₹lakhs, while all the financial information pertaining to our Company on a consolidated basis as well as financial information pertaining to other persons, including group companies, subsidiaries and directors have been presented in ₹ crores. Where any figures that may have been sourced from third-party industry sources are expressed in denominations, such figures appear in this Information Memorandum expressed in such denominations as provided in their respective sources.

Exchange Rates

This Information Memorandum contains conversions of certain other currency amounts into Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Rupee amounts, are as follows:

Currency	September 30, 2018$	As on March 31, 2018#	As on March 31, 2017	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014**
1 USD*	72.55	65.04	64.84	66.33	62.59	60.10
1 Euro*	84.44	80.62	69.25	75.10	67.51	82.58
1 GBP*	94.91	92.28	80.88	95.09	92.46	99.85

**Source: RBI Reference Rate*
 # Exchange rate as on March 28, 2018, as RBI Reference Rate is not available for March 29, 2018 and March 30, 2018 being public holiday
and March 31, 2018 being a Saturday.
***Exchange rate as on March 28, 2014, as RBI Reference Rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a public holiday, a Sunday and a Saturday, respectively.*
$ Exchange rate as on September 28, 2018, as RBI Reference Rate is not available for September 29, 2018 or September 30, 2018, being a Saturday and Sunday respectively.

FORWARD LOOKING STATEMENTS

This Information Memorandum contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "will", "will continue", "will pursue", or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements.

All forward-looking statements are based on our current plans, estimates, presumptions and expectations, and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in its industry and incidents of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- Our inability to keep up with technological advancements;
- Our inability to fulfil the requirements of our limited customers or such customers reducing their IT budget;
- Our inability to retain our experienced personnel or to replace them in a timely manner;
- Our inability to optimally utilise our employees and other resources;
- Our inability to implement our growth strategies; and
- inability to understand prevailing global trends or to forecast changes well in time

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 15, 74, and 213 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Although we believe that the assumptions on which such forward-looking statements are based are reasonable, we cannot assure that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as on the date of this Information Memorandum and are not a guarantee of future performance. These statements are based on the management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Promoters, our Directors, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

SECTION II — INFORMATION MEMORANDUM SUMMARY

This section is a summary of specific disclosures included in this Information Memorandum and is not exhaustive nor does it purport to contain a summary of all disclosures or details relevant to prospective investors. For additional information and further details with respect to any of the information summarised below, please refer to the relevant sections of this Information Memorandum. Unless otherwise stated, the financial information in this section is derived from the Financial Statements.

Summary of the Industry

ITeS encompass a wide range of services that rely on information technology as means of service provisioning and internet as transport medium. The Indian ITeS market is currently segmented along the service lines of customer care, finance, administration and payment services, human resource services, procurement and logistics services, and knowledge process outsourcing based services. The industry is fragmented with the top 10 players accounting for only about a 30% market share and is plagued by a number of issues such as high attrition rates, shortage of competent managers at the middle and senior management levels, and lack of a robust infrastructure**.**

Summary of our Business

Our primary business shall be the provision of information technology related services to the power generation and distribution business of CESC and its subsidiaries. The major operations of our Company will be in the categories of product development, operations and maintenance of existing applications, operation and maintenance of infrastructure and assets relating to information technology including all software and hardware elements, furnishing reports and records as required, conforming performance parameters and ensuring business process efficiency. Our Company plans to gradually expand its operations and eventually provide similar services outside the Group, with an initial focus on other power generating and distribution companies.

Our Promoters

The Promoters of our Company are Sanjiv Goenka and Rainbow Investments Limited.

Shareholding of Our Promoters and Members of our Promoter Group

The shareholding of the Promoters and the members of our Promoter Group are detailed below:

Name of person	Category	No. of Equity Shares held	Percentage of the paid-up Equity Share capital (in %)
Rainbow Investments Limited	Promoter	1,17,59,326	44.36
Sanjiv Goenka	Promoter	26,958	0.10
Shashwat Goenka	Member of Promoter Group	22,281	0.08
Preeti Goenka	Member of Promoter Group	5,044	0.02
Sanjiv Goenka HUF	Member of Promoter Group	2,459	0.01
Avarna Goenka	Member of Promoter Group	100	Negligible
Stel Holdings Limited	Member of Promoter Group	4,98,694	1.88
Phillips Carbon Black Limited	Member of Promoter Group	3,37,239	1.27
Saregama India Limited	Member of Promoter Group	2,51,997	0.95
Integrated Coal Mining Limited	Member of Promoter Group	2,15,072	0.81
Kolkata Metro Networks Limited	Member of Promoter Group	57,000	0.22
Castor Investments Limited	Member of Promoter Group	50,000	0.19
Dotex Merchandise Private Limited	Member of Promoter Group	8,267	0.03
Total		1,32,34,437	49.92

Financial Information

The following information has been derived from the standalone Financial Statements:

(in ₹ crores, except per share data)

Particulars	During Fiscal 2018/ As on March 31, 2018 (as applicable)	During the six months ended September 30, 2018/As on September 30, 2018 (as applicable)
Share capital	-	-
Share suspense account	26.51	26.51
Net worth*	1,449.97	1,509.79
Total Revenue	27.33	89.06
EBITDA#	4.39	62.62
Profit after tax	2.30	60.11
Earnings per Equity Shares** (basic and diluted)	0.16	22.67
Net asset value## (per Equity Share**)	546.92	569.49
Total borrowings (as per our balance sheet)	-	-

** If the capital reserve pursuant to the Scheme were deducted from the above, the net worth would have been ₹30.03 crore on March 31, 2018 and ₹89.85 crore on September 30, 2018 on a standalone basis.*
*** Considering the allotment of 2,65,11,409 Equity Shares on November 14, 2018, which was pending allotment as on September 30, 2018 and was accordingly reflected in the share suspense account as on September 30, 2018.*
 # EBITDA = Profit Before Tax + Depreciation and Amortisation Expenses + Finance Costs.
The net asset value (per Equity Share) on a standalone basis, would have been ₹11.33 as on March 31, 2018 and ₹33.89 as on September 30, 2018, if the net worth were calculated after deducting the capital reserve pursuant to Scheme.

The following information has been derived from the consolidated Financial Statements:

(in ₹ crores, except per share data)

Particulars	During Fiscal 2018/ As on March 31, 2018 (as applicable)	During the six months ended September 30, 2018/As on September 30, 2018 (as applicable)
Share capital	-	-
Share suspense account	26.51	26.51
Net worth*	3,316.74	3,468.52
Total Revenue	2,005.55	2,169.72
EBITDA#	228.98	210.42
Profit after tax	163.70	127.20

Particulars	**During Fiscal 2018/ As on March 31, 2018 (as applicable)**	**During the six months ended September 30, 2018/As on September 30, 2018 (as applicable)**
Earnings per Equity Shares** (basic and diluted)	11.49	47.98
Net asset value## (per Equity Share**)	1,251.06	1,308.31
Total borrowings (as per our balance sheet)	849.90	831.88

**If the capital reserve pursuant to Scheme was deducted from the above, the net worth would have been ₹ ₹1,896.23 crore on March 31, 2018 and ₹2,048.01 crore. on September 30, 2018 on a consolidated basis.*
*** Considering the allotment of 2,65,11,409 Equity Shares on November 14, 2018, which was pending allotment as on September 30, 2018 and was accordingly reflected in the share suspense account as on September 30, 2018.*
 # EBITDA = Profit before tax + Depreciation and Amortisation Expenses + Finance Costs.
The net asset value (per Equity Share) on a consolidated basis, would have been ₹715.25 as on March 31, 2018 and ₹772.50 as on September 30, 2018 if the net worth were calculated after deducting capital reserve pursuant to the Scheme.

For further details, see "*Financial Statements*" at page 127.

Auditor Qualifications or Adverse Remarks

There have been no qualifications or adverse remarks by our Auditors in the Financial Statements.

Outstanding Litigation

A summary of pending criminal proceedings, taxation proceedings, actions taken by statutory or regulatory authorities and other material litigation proceedings involving us, our Directors, our Subsidiaries and our Promoters, as applicable, on the date of this Information Memorandum is set out below:

Litigation against our Company

There are no litigation proceedings involving our Company on the date of this Information Memorandum

Litigation against our Subsidiaries

Type of proceeding	**Number of cases**	**Amount involved, to the extent quantifiable *(₹ crore)***
Material civil proceedings	1	53.69
Criminal proceedings	1	-
Taxation proceedings	1	0.69

Litigation by our Subsidiaries

Type of proceeding	**Number of cases**	**Amount involved, to the extent quantifiable *(₹ crore)***
Criminal proceedings	2	-

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Litigation against our Directors

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (*₹ crores)*
Material civil proceedings	1*	28.52**
Regulatory/ statutory action	-	-
Criminal proceedings	-	-
Taxation proceedings	-	-

**One suit filed against inter alia Sanjiv Goenka and Shashwat Goenka, both directors of our Company. .*
*** Is the same litigation proceeding included under "Litigation against our Promoters".*

Litigation by our Directors

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (*₹ crores)*
Civil proceedings	-	-
Criminal proceedings	-	-

Litigation against our Promoters

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (*₹ crores)*
Material civil proceedings	1	28.52**
Regulatory/ statutory action	-	-
Criminal proceedings	-	-
Taxation proceedings	-	-

*** Is the same litigation proceeding including under "Litigation against our Directors".*

Litigation by our Promoters

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (*₹ crores)*
Civil proceedings	-	-
Criminal proceedings	-	-

While, there are certain pending litigation proceedings involving our Group Companies, there is no pending proceeding involving our Group Company which could have a material impact on our Company. For further details, see "*Outstanding Litigation and Other Material Developments*" beginning on page 213.

Risk Factors

For details of the risks associated with our Company, see the section "*Risk Factors*" beginning on page 15.

Contingent Liabilities

A summary of our contingent liabilities on a consolidated basis as on March 31, 2018 and September 30, 2018 in the Financial Statements were as set out below:

Particulars	As on March 31, 2018	As on September 30, 2018
	Amount demanded/disputed (in ₹ crores)	Amount demanded/disputed (in ₹ crores)
Income Tax*	92.76	92.51
Service tax demands under appeal	17.21	17.21

Particulars	As on March 31, 2018	As on September 30, 2018
	Amount demanded/disputed (in ₹ crores)	Amount demanded/disputed (in ₹ crores)
Property, Plant & Equipment	13.99	3.76
Claims not acknowledged as debt	0.14	0.14
Bank guarantee	16.50	17.23
Purchase commitment towards Nanobi Data and Analytics Private Limited	1.20	1.20
Guarantees given to the Government of India, Customs and Central Excise Department in relation to duty securities	1.28	1.00
Commitments relating to endorsements	9.00	6.00

**Income Tax demands under appeal, pending in different forums, in respect of which the subsidiaries / associate do not expect any unfavorable outcome. One of the subsidiaries has paid Tax under protest for various assessment years amounting to ₹10.29 crore (31.03.2018 : ₹10.38 crore)*

For further details, see "*Financial Statements*" on page 181.

Additionally, commitments of our Company (on a consolidated basis) on account of estimated amounts of contracts remaining to be executed on capital account have not been provided for in the Financial Statements, aggregating to ₹29.21 crore and ₹81.91 crore on March 31, 2018 and September 30, 2018 respectively.

Related party transactions

A summary of the related party transactions entered into by our Company on a consolidated basis in Fiscal 2018 and the six months ended September 30, 2018 is detailed below:

(*in ₹ crores*)

Nature of transaction	Related party	In Fiscal 2018	In the six months ended September 30, 2018
Equity Shares issued*	Parent having control under the IndAS- 110	(575.05)	-
Short term advance	Entities under common control	8.77	2.51
Expenses incurred (net of recovery)/expenses reimbursed	Entities under common control	20.55	26.80
	Other related parties	0.02	-
Income from sale/services	Entities under common control	29.60	34.55
	Other related parties	0.01	-
Expenses incurred	Entities under common control	13.89	14.55
Purchase of assets	Entities under common control	0.24	0.10
Security deposit received/(refunded)	Entities under common control	0.02	-

****These have been cancelled pursuant to the Scheme.*

For further details of such related party transactions, see "*Financial Statements*" at page 193.

Average cost of acquisition

The average cost of acquisition of our Promoters is as mentioned below: Not applicable

Split or consolidation

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Information Memorandum.

Confirmations

- There are/have been no financing arrangements whereby any member of our Promoter Group and/or the directors of RIL and/or our Directors and their relatives have financed the purchase by any other person of securities of our Company from the date of approval of the Scheme by the NCLT on March 28, 2018 till the date of submission of this Information Memorandum.

- Except pursuant to the Scheme, our Promoters have not acquired any Equity Shares in the one year preceding the date of this Information Memorandum.

- Other than pursuant to the Scheme, our Company has not issued any Equity Shares in the one year preceding the date of this Information Memorandum for consideration other than cash.

SECTION III - RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Information Memorandum, including the risks and uncertainties described below, before making an investment in the Equity Shares of our Company.

If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our Company's business, results of operations and financial condition could suffer, the price of the Equity Shares could decline, and all or part of your investment may be lost. Unless otherwise stated, our Company is not in a position to specify or quantify the financial or other risks mentioned herein.

In this section, unless the context otherwise requires, a reference to "our Company", "we", "us" or "our" is a reference to our Company on a standalone basis unless otherwise specified.

Internal Risks

<u>Risks in relation to our Company</u>

1. ***Our Company relies on a small number of clients for a large proportion of its income and loss of any of these clients could adversely affect our profitability.***

   Our Company shall primarily cater to the information technology requirements of CESC and its subsidiaries' power generation and distribution business. While it is intended that our Company expand our scope of operations to cover other members of the Group and eventually external clients, as on the date of this Information Memorandum, our Company relies only on CESC and its subsidiaries for its revenue. As on March 31, 2018 and September 30, 2018, our entire total revenue from operations were obtained from CESC and its subsidiaries respectively on a standalone basis.

   Accordingly, our Company's business is heavily connected with and reliant on business, operations and functioning of CESC and its subsidiaries. Should there be a reduction in CESC or its subsidiaries' IT budget for any reason, including macroeconomic factors or shift in corporate priorities, our volume of business and consequently our revenue and profitability could be reduced. Our Company aims to gradually expand its operations to widen its customer base and thereby reduce its dependence on CESC and its subsidiaries.

2. ***Our Company is engaged in an industry where technology plays a prominent role, and despite our best efforts our Company may not be able to sufficiently update our technology to either cater to the requirements of our customers or compete with the technology used by our competitors***

   Our Company is engaged in the business of information technology and information technology related services to its clients. It is our Company's prerogative to ensure that the technology its uses and provides to its customers is up to the trends in the industry and caters adequately to the needs of its customers.

   However, the IT services market is characterized by rapid technological changes, evolving industry standards, sector specific requirements, changing client preferences, and new product and service introductions that could result in product obsolescence and short product life cycles. Our future success will depend on our ability to anticipate these advances, enhance our existing offerings or develop new service offerings to meet client needs, in each case, in a timely manner. We may not be successful in anticipating or responding to these advances on a timely basis, or at all or keep pace with the changing needs of our clients. If we do respond, the services or technologies we develop may not be successful in the marketplace. We may also be unsuccessful in stimulating customer demand for new and upgraded services, or seamlessly managing new service introductions or transitions. Our failure to address the demands of the rapidly evolving IT environment, particularly with respect to emerging technologies, and technological obsolescence, could have a material adverse effect on our business, results of operations and financial condition.

   In addition, our success also depends on our ability to proactively manage our portfolio of technology alliances. Additionally, during the regular course of operating our business, we may adjust our future plans as a result of our research, experience, technology evolution and market demand. Accepting unforeseen business opportunities may also result in a business model change. We cannot guarantee that any adjustment in our future plans will become successful or be more successful than our current business model. A shift in our plans may result in the use of other technologies. Other technologies may in the future prove to be more efficient and/or economical to us than our current technologies. We cannot guarantee that any change in technology will become successful or be more successful than our current technology.

3. ***Our Company may fail to attract and retain enough sufficiently trained employees or replace our existing trained employees to support our operations, as competition for highly skilled personnel is intense and the IT industry generally, experiences significant employee turnover rates.***

   Our Company is engaged in the business of providing information technology and information technology related services. Given the dynamic nature of the business of our Company and our continuous need for updation to keep us up to date with technological advancements, it is necessary that we maintain a well-trained employee base with the relevant skills. We may not be able to attract new employees possessing the requisite skills required for our business operations.

   Further, our current personnel who have been transferred from CESC possess experience and domain knowledge in providing information technology services to power distribution and generation companies. Should such personnel leave our Company, we may not be able to easily replace such personnel with other equally skilled or trained personnel.

4. ***Any inability to manage our growth could disrupt our business and reduce our profitability.***

   Our Company's growth strategies will place significant demands on our management team and other resources. This will require us to develop and improve our administrative, operational, financial, systems and other internal controls. The costs involved in entering and establishing ourselves in new and emerging markets, and expanding such operations, may be higher than expected and the profitability less than expected. Should our Company seek to provide IT services outside the power distribution and generation sector, we would have to make significant investments in *inter alia* infrastructure and personnel.

5. ***If we are unable to establish and maintain an effective system of internal controls and compliances our business and reputation could be adversely affected.***

   We manage regulatory compliance by monitoring and evaluating our internal controls and ensuring that we are in compliance with all relevant statutory and regulatory requirements. However, there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. As we continue to grow, there can be no assurance that there will be no instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation

6. ***Our profitability could suffer if we are not able to maintain favourable employee utilisation***

   Our profitability and the cost of providing our services are affected by the utilisation of our employees. In this context, utilisation would mean the percentage of the total number of effective man days of an employee divided by the total number of stipulated employment man days. If we are not able to maintain high employee utilisation, our profit margin and profitability may suffer. Our utilisation rates could be affected by number of factors including the loss or reduction of business from our clients, our ability to manage attrition, our need to devote time and resources to training, professional development and other non-chargeable activities and maintaining oversight over our employees.

7. ***Intense competition in the market for technology services could impact our ability to achieve our growth strategy***

   We operate in an intensively competitive industry that requires that experiences rapid technological developments, changes in industry standards and changes in customer requirements. When we seek to expand our operations and our customer base in the future, we would potentially face competition from larger IT consulting firms, captive divisions and in-house departments of large corporations and large IT service firms. Such competition could impact our pricing of our services. Due to such intense competition, we may not be able to expand our operations and customer base or achieve profitability while carrying out such expansion.

8. ***Our Company depends on the knowledge and experience of our Directors and senior management for our growth. The loss of their services may have a material adverse effect on our business, financial condition and results of operations.***

Our Company depends on the management skills and guidance of our Directors for development of business strategies, monitoring its successful implementation and meeting future challenges. Our senior managerial personnel complement the vision of our Directors and perform a crucial role in conducting our day-to-day operations and execution of our strategies.

Our senior managerial personnel collectively have several years of experience and are difficult to replace. Competition for senior management in the industry in which we operate is intense, and we may not be able to recruit and retain suitable replacements in a timely manner or at all. In the event we are unable to attract and retain managerial personnel and our senior managerial personnel join our competitors or form competing companies, our ability to conduct efficient business operations may be impaired. The loss of the services of such personnel and our inability to hire and retain additional qualified personnel may have an adverse effect on our business, financial condition and results of operations.

9. ***Our Subsidiaries, Directors and Promoters are involved in certain legal proceedings which, if determined against our Subsidiaries, Promoters, Group Companies or Directors, could adversely affect its financial condition and results of operations.***

Our Subsidiaries, Directors and Promoters are currently involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals.

A summary of pending criminal proceedings, taxation proceedings, actions taken by statutory or regulatory authorities and other material litigation proceedings involving our Subsidiaries, our Directors and our Promoters, as applicable, on the date of this Information Memorandum is set out below:

Litigation against our Subsidiaries

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable *(₹ million)*
Material civil proceedings	1	53.69
Criminal proceedings	1	-
Taxation proceedings	1	0.69

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Litigation against our Directors

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable *(₹ crores)*
Material civil proceedings	1*	28.52**

**One suit filed against inter alia Sanjiv Goenka and Shashwat Goenka, both Directors of our Company.*
*** Pertains to the same litigation proceeding including under "Litigation against our Promoters".*

Litigation against our Promoters

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable *(₹ crores)*
Material civil proceedings	1	28.52**

*** Pertains to the same litigation proceeding including under "Litigation against our Directors".*

While, there are certain pending litigation proceedings involving our Group Companies, there is no pending proceeding involving our Group Companies which could have a material impact on our Company.

For further details, see "*Outstanding Litigation and Other Material Developments*" at page 213.

Decisions in any of the aforesaid proceedings would not however, have a material adverse effect on our Company.

10. ***Our Company is under the control of the RP-Sanjiv Goenka Group.***

As of the date of this Information Memorandum, the RP-Sanjiv Goenka Group beneficially owns 49.92% of our Company's existing Equity Shares. Accordingly, it has, and will continue to have, the ability to influence our Company's business. There can be no assurance that the RP-Sanjiv Goenka Group will not take positions with which our Company or the holders of the Equity Shares do not agree, and such positions could have an adverse effect on our Company or the holders of the Equity Shares. Moreover, the RP-Sanjiv Goenka Group may exercise its control to approve actions and to reject certain corporate opportunities which may not be in the best interests of the holders of the Equity Shares.

Further, we believe that the good reputation created and inherent to "CESC" and the "RP-SG Group", is essential to our business. As such, any damage to our reputation, or that of "CESC" or the "RP-SG Group", could substantially impact our ability to maintain or grow our business. In addition, any action on the part of any of the companies in the RP-SG Group that negatively impacts the "CESC" or "RP-SG Group" brand could have a material adverse effect on our business, financial condition and results of operations

11. ***We may face difficulties in providing end-to-end business solutions for our clients that could cause clients to discontinue their work with us, which, in turn, could adversely impact our business, financial condition and results of operations. We may also be required to pay damages for deficient services.***

As we increase the breadth of our service offerings, we aim to be engaged in larger and more complex projects with our clients. This would require us to establish closer relationships with our clients, develop a thorough understanding of their operations, and take higher commercial risks in our contracts with such clients, including penalty clauses in our agreements and larger upfront investments. Our ability to establish such relationships will depend on a number of factors, including the proficiency of our IT professionals and our management personnel. Our failure to understand and successfully implement our clients' requirements, the domain and country-specific laws and regulations which govern the services that we provide, or our failure to deliver services which meet the requirements specified by our clients, could result in termination of client contracts, reputational harm and/or imposition of penalties or the payment of damages pursuant to litigation against us for deficient services. We may also be subject to damages for violating or misusing our clients' intellectual property rights or for breaches of third-party intellectual property rights or confidential information in connection with services to our clients. Our inability to provide services at contractually-agreed service levels or inability to prevent violation or misuse of the intellectual property of our clients or that of third parties could cause significant damage to our reputation and adversely affect our business, financial condition and results of operations. Further, we may incur additional costs in remedying any deficient service that we may provide (if any). Additionally, we may experience financial losses in contracts which are based on assumptions which are not realized. We may also be subject to loss of clients due to dependence on alliance partners, subcontractors or third-party vendors.

Larger projects may involve multiple engagements, stakeholders, components or stages, and there is a risk that a client may choose not to retain us for subsequent stages or may cancel or delay subsequent planned engagements. Dissatisfied clients might seek to terminate existing contracts prior to the completion of the services or relationship and/or invoke bank guarantees or earnest money deposits issued as a security for performance. This may further damage our business by affecting our ability to compete for new contracts with current and prospective clients. We may also experience terminations, cancellations or delays as a result of the business or financial condition of our clients or the economy generally, as opposed to factors related to the quality of our services. Such cancellations or delays make it difficult to plan for project resource requirements and inaccuracies in such resource planning may have a negative impact on our business, financial condition and results of operations. In addition, such projects may involve multiple parties in the delivery of services and require greater project management efforts, which may increase our costs and adversely affect our results of operations.

12. ***Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject, and this may have a material adverse effect on our business, financial condition and results of operations.***

Our employees and assets are covered under the Group's insurance policies and our Company intends to take advantage of the Group and to continue with the Group's insurance policies. Our Company shall seek to independently obtain adequate insurance cover for its assets in consultation with the relevant experts. However, there can be no assurance that we shall be able to adequately insure our assets and liabilities against all possible losses. Further, even with respect to the assets and liabilities insured, we cannot assure that our claims raised under the relevant insurance policies, will be successful or be realised in a timely manner.

13. ***We may be liable to our clients for damages caused by system failures, disclosure of confidential information or data security breaches, which could harm our reputation and cause us to lose clients.***

Many of our contracts involve projects that are critical to the operations of our clients' businesses and provide benefits to our clients that may be difficult to quantify. Any failure in a client's system could result in a claim for substantial damages against us, regardless of our responsibility for such failure. In addition, we often have access to, or are required to collect and store, confidential client data. We face several threats to our data centers and networks such as unauthorized access, security breaches and other system disruptions. It is critical to our business that our infrastructure remains secure and is perceived by customers to be secure.

We seek to rely on encryption and authentication technology licensed from third parties to provide the security and authentication necessary to effect secure online transmission of confidential client information. Despite our security measures, advances in computer capabilities, new discoveries in the field of cryptography or other events or developments may result in a compromise or breach of the algorithms that we use to protect sensitive customer transaction data. Breaches of our security measures or the accidental loss, inadvertent disclosure or unapproved dissemination of confidential customer data could expose us, our customers or the individuals affected to a risk of loss or misuse of this information, or cause interruptions in our operations. We may be required to expend significant capital and other resources to protect against such security breaches, to alleviate problems caused by or to investigate such breaches, all of which could subject us to liability, damage our reputation and diminish the value of our brand name.

Moreover, if any person, including any of our employees or former employees or subcontractors, penetrates our network security or misappropriates sensitive data, we could be subject to significant liability from our clients or from our clients' customers for breaching contractual confidentiality provisions or privacy laws. Unauthorized disclosure of sensitive or confidential client and customer data, whether through breach of our computer systems, systems failure, loss or theft of assets containing confidential information or otherwise, could render us liable to our clients for damages, damage our reputation and cause us to lose clients. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes to our insurance policies, including premium increases or the imposition of a large deductible or co-insurance requirement, could adversely affect our revenues and results of operations. We may also be liable to our clients for damages or termination of contract if we are unable to address disruption in services to them with adequate business continuity plans and/or for non-compliance with our clients' information security policies and procedures.

14. ***We and our Subsidiaries require certain regulatory approvals in the ordinary course of business, and the failure to obtain them in a timely manner or at all may adversely affect our operations.***

We and our Subsidiaries require regulatory approvals, licenses, registrations and permissions to operate our businesses. These approvals, licenses, registrations and permissions are required from a range of Central and State Governments and their respective agencies. In addition, some of the regulatory approvals, licenses, registrations and permissions required for operating our businesses expire from time to time. We generally apply for renewals of such regulatory approvals, licenses, registrations and permissions prior to or upon their expiry. However, we cannot assure you that we will obtain all regulatory approvals, licenses, registrations and permissions, or receive renewals of existing or future approvals, licenses, registrations and permissions in the time frames required for our operations or at all, which could adversely affect our business.

15. ***Our Company has not paid any dividends in the past and we may not be able to pay dividends in the future***

Our Company has not declared dividends for any financial year in the past and our Company may not be able to declare dividends in the future. The declaration, payment and amount of any future dividends are subject to the discretion of the Board and will depend upon a number of factors, including our Company's results of operations, future earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian law restrictions and other factors considered relevant by our Board.

16. ***We have contingent liabilities on our Company's balance sheet, as at March 31, 2018 and September 30, 2018. If any of these actually occur, they may adversely impact our profitability and may have a material adverse effect on our results of operations and financial condition.***

Our Company on a consolidated basis has certain contingent liabilities in relation to income tax, service tax demands, bank guarantees, commitments relating to endorsements and guarantees given to the Government of India, Customs and Central excise department in relation to duty securities. For details see "*Financial Statements*" at page 181. The commitments of our Company (on a consolidated basis) on account of estimated amount of contracts remaining to be executed have not been provided for in the Financial Statements amounted to ₹81.91 crore as on September 30, 2018. If any of these actually occur, they may adversely impact our profitability and may have a material adverse effect on our results of operations and financial condition.

17. ***We have not independently verified certain data in this Information Memorandum, which might have certain limitations.***

We have not independently verified data from the Industry Report on IT Enabled Services- October 2018 prepared by CRISIL Research contained in this Information Memorandum and although we believe the sources mentioned in the report to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the industries in which we operate that is included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to incorrect or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

18. ***Our registered office is not owned by our Company.***

Our registered and corporate office is situated at CESC House, Chowringhee Square, Kolkata 700 071, West Bengal, India. The premises are owned by CESC Limited, our Group Company. Pursuant to the letter dated January 25, 2017, CESC has conveyed its no-objection to our Company using the said premises as its registered office. However, there can be no assurance that we will continue to be allowed to use such premises. Our failure to have such right may impair our operations and adversely affect our financial condition.

19. ***We do not have a logo and consequently we do not own the intellectual property in relation thereto.***

Our Company is in the process of preparing and finalising a logo. However, as on the date of this Information Memorandum, our Company does not have a logo. Consequently, we do not possess any intellectual property with respect to our prospective logo. While, we shall adopt a logo for our Company, we cannot assure you that we will be able to obtain the required intellectual property rights in relation to such logo. Failure to secure our intellectual property, may result in us failing to adequately enforce our rights, including against passing off.

20. ***Certain of our Directors have interests in our Company other than reimbursement of expenses incurred and normal remuneration or benefits.***

Certain of our Directors may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Certain Directors may be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. We cannot assure you that our Directors, if they are also our shareholders, will exercise their rights as shareholders to the benefit and best interest of our Company. For further details, see "*Capital Structure*" and "*Our Promoters,* and "*Our Management*" on pages 28, 116 and 105 respectively.

21. ***Our Company has in the past entered into related party transactions and shall continue to do so in the future.***

We have entered into and shall in the course of our business continue to enter into transactions specified in the Financial Information contained in this Information Memorandum with related parties. While we believe that all such transactions have been conducted on an arm's length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our financial condition and results of operations.

22. ***Our inability to service our debt in a timely manner may have an adverse effect on our results of operations and financial condition.***

A continued downturn in the business cycle may put strain on the Company's cash flows, such that the Company may be not be able to generate sufficient cash required to pay its principal or interest obligations in respect of its borrowings. The Company's inability to service its debt on time may have other consequences for its business results & operations, requiring the Company to dedicate a substantial portion of its cash flow from operations to servicing the indebtedness, limiting the Company's ability to borrow additional amounts and materially impacting the Company's ability to invest in future growth opportunities.

23. ***Certain of our Subsidiaries operate in a similar line of business* of our Company.**

Certain of our Subsidiaries are also engaged in the business of providing information technology services. While our customer base, scope of services and target market are likely to differ, we cannot assure you that such companies, will not in the future seek to provide information technology services in our target market. Hence, we cannot assure you that there shall be no conflict of interest in the future,

24. ***Certain Subsidiaries have availed of debt facilities that can be recalled by lenders at any time.***

Certain of our Subsidiaries have availed of debt facilities the terms of which allows the lender to recall the loan at any point in time. If such Subsidiaries are unable to repay such loans at the time they are recalled for any reason whatsoever, an event of default could occur under the respective loan agreements, which could adversely affect the business, reputation, financial condition and results of operation of such companies.

25. ***We have experienced negative cash flows, details of which are given below. Sustained negative cash flows could impact our growth and business.***

We experienced negative cash flows from some activities as per the periods indicated below on a standalone basis:

Particulars	**Fiscal 2018 (in ₹ lakhs)**	**Six months period ended September 30, 2018 (in ₹lakhs)**
Operating profit before working capital changes	215.61	425.20
Net cash flow used in operating activities*	2,668.36	1316.78
Net cash used in investing activities**	(60,028.24)	(2,001.74)
Net cash flow from financing activities**	57,505.00	-
Net increase/ (decrease) in cash and cash equivalents	145.12	(684.96)

**Pending subsequent realisation of the amounts billed to CESC and its subsidiaries.*

*** The net cash used in investing activities has been derived from the net cash flow arising out of financing activities.*

<u>*Risks in relation to our Subsidiaries*</u>

Our Subsidiaries are engaged in different businesses across different sectors including business process outsourcing, development of property and manufacturing of fast-moving consumer goods. The risks inherent to each such industry would be applicable to our Subsidiaries.

FSL, our Subsidiary, is one of the largest business process outsourcing companies in India (*source: CRISIL Research*). Certain internal risks in relation to FSL include reliance on a small number of clients, concentration of their clients in few industries, possible exposure to foreign exchange fluctuations and existence of restrictive clauses in agreements executed by FSL.

EXTERNAL RISK FACTORS

1. *Changing regulations and tax regimes in India could lead to new compliance requirements that are uncertain.*

The regulatory environment in which we operate is evolving and is subject to change. The Government of India may implement new laws or other regulations that could affect the pharmaceutical industry, which could lead to new compliance requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations.

For example, as of July 1, 2017, a national goods and service tax ("**GST**") in India replaced taxes levied by central and state governments with a unified tax regime in respect of the supply of goods and services for all of India, which is expected to result in changes to India's pharmaceutical industry. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. Any changes to the GST rate or rules and regulations surrounding GST and the related uncertainties with respect to the implementation of GST may have a material adverse effect on our business, financial condition and results of operations. Further, as GST is implemented, there can be no assurance that we will not be required to comply with additional procedures or obtain additional approvals and licenses from the government and other regulatory bodies or that they will not impose onerous requirements and conditions on our operations. As the taxation system in India will see significant changes as a result of GST, its consequent effects cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares.

In addition, on November 8, 2016, the Reserve Bank of India and the Ministry of Finance of the Government of India withdrew the legal tender status of ₹ 500 and ₹ 1,000 currency notes. Despite ₹ 500 and ₹ 2,000 notes being introduced since such demonetisation on November 8, 2016, the short-term effect of these developments has been, among other things, a decrease in liquidity of cash in India, which has in turn negatively affected consumer spending.

2. *Political instability or changes in the policies formulated by the Government of India from time to time could affect the liberalization of the Indian economy and adversely affect our business, results of operations and financial condition.*

Our Company a public limited company incorporated in India and all our fixed assets and human resources are located in India. Our business, and the market price and liquidity of the Equity Shares may be adversely affected by changes in foreign exchange rates and changes/amendment of applicable regulations, interest rates, government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The pace of economic liberalisation in India could change in future, and statutory/regulatory requirements and/or policies governing foreign investments, the securities market, currency exchange and other matters affecting our business and/or investment in our securities could change as well. Any significant change in liberalisation and deregulation of policies in India could adversely affect business and economic conditions in India generally and our business, operations and profitability in particular.

3. *Political, social and economic changes that could affect the economic conditions in India.*

Our Company is incorporated in India and its assets are located in India. Consequently, our performance and the market price of the Equity Shares may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, riots, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India's principal export markets;
- other significant regulatory or economic developments in or affecting India or its consumption sector;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- logistical and communications challenges;
- downgrading of India's sovereign debt rating by rating agencies; and
- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

4. ***Data privacy laws, rules and regulations could have a material adverse effect on our business, financial condition and results of operations.***

We are subject to data privacy laws, rules and regulations that regulate the use of customer data. Compliance with these laws, rules and regulations may restrict our business activities, require us to incur increased expense and devote considerable time to compliance efforts.

5. ***Change in domestic export regulations may adversely impact our operations***

The Indian Information Technology Services Sector is highly dependant on exports with over 87% of the sectors revenues coming from exports (*source: CRISIL Research*). Changes in the applicable export regulations and laws could adversely affect our operations.

6. ***We are subject to various labour laws and regulations governing our relationships with our employees and contractors.***

Our full-time employees are entitled to statutory employment benefits, such as a defined benefit gratuity plan, among others. In addition to our employees, we empanel agencies for our outsourcing requirements and engage persons on a contractual basis. We are subject to various labour laws and regulations governing our relationships with our employees and contractors, including in relation to minimum wages, working hours, overtime, working conditions, hiring and terminating the contracts of employees and contractors, contract labour and work permits.

Any change in applicable labour laws that requires us to increase the benefits to the employees from the benefits now being provided may create potentially liability for us. Such benefits could also include provisions, which reduce the number of hours an employee may work for, or increase in number of mandatory casual leaves, which all can affect the productivity of the employees.

7. ***The trading volume and market price of the Equity Shares may be volatile after the listing.***

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts ‘recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of senior management personnel;
- changes in exchange rates;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

8. *If inflation rises in India, increased costs may result in a decline in profits.*

Inflation rates in India have been volatile in recent years, and such volatility may continue. Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials and other expenses. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

9. *Natural calamities and health epidemics could adversely affect the Indian economy.*

India has experienced natural calamities, such as earthquakes, floods and drought in the past. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect the our business, and may cause damage to our infrastructure and the loss of business continuity and business information. Similarly, global or regional climate change or natural calamities in other countries where we may operate could affect the economies of those countries. There have been outbreaks of diseases in the past. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect our business.

SECTION IV – INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated under its present name as a public limited company under the Companies Act, 2013 pursuant to the certificate of incorporation February 7, 2017 issued by the Registrar of Companies, West Bengal at Kolkata. The name of our Company was thereafter changed to our current name (i.e. CESC Ventures Limited) and a certificate of incorporation pursuant to change of name was issued by the RoC on December 13, 2018.

The National Company Law Tribunal, Kolkata bench, vide its order dated March 28, 2018 approved, subject to the condition set out therein, the Composite Scheme of Arrangement amongst the CESC Infrastructure Limited, Spencer's Retail Limited, Music World Retail Limited, Spen Liq Private Limited, New Rising Promoters Private Limited, CESC, Haldia Energy Limited, Spencer's Retail Limited (formerly RP-SG Retail Limited), Crescent Power Limited and our Company, and their respective shareholders, under Sections 230 and 232 and other applicable provisions of the Companies Act, 2013. Pursuant to the Scheme, the IT Undertaking of CESC is transferred to and vested with our Company and Spen Liq Private Limited is amalgamated into our Company with the Appointed Date of October 1, 2017 in accordance with Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The effective date of the Scheme is October 12, 2018.

Registered and Corporate Office of our Company:

The address and certain other details of our Registered and Corporate Offices are as follows:

CESC House, Chowringhee Square
Kolkata – 700 001, West Bengal, India
Tel: +91 33 2225 6040

Company Registration Number and Corporate Identity Number

The registration number and corporate identity number of our Company are as follows:

a. Registration number: 219318

b. Corporate identity number: U74999WB2017PLC219318

Registrar of Companies

Our Company is registered with the Registrar of Companies, West Bengal at Kolkata

Registrar Of Companies, West Bengal
Nizam Palace
2nd MSO Building
2nd Floor, 234/4, A.J.C.B. Road
Kolkata 700 020
West Bengal, India.
Tel: +91 33 2287 7390

Board of Directors:

The Board of Directors of our Company as on the date of this Information Memorandum are as mentioned below:

S. No.	Name of Directors	DIN	Address
1.	Sanjiv Goenka Designation: Chairman and Non-Executive Director	00074796	19, Dr. Rama Prasad Goenka Sarani, Belvedere Road, Alipore, Kolkata 700 027, West Bengal, India

S. No.	Name of Directors	DIN	Address
	(Additional)		
2.	Shashwat Goenka Designation: Non-Executive Director (Additional)	03486121	19, Dr. Rama Prasad Goenka Sarani, Belvedere Road, Alipore, Kolkata 700 027, West Bengal, India
3.	Suhail Sameer Designation: Wholetime Director (Additional)	07238872	H.NO. G-222, Palam Vihar, Near Ansal Plaza Mall, Chom A (62) Gurgaon, Carlerpun 122 017, Haryana, India
4.	Grace Koshie Designation: Independent Director (Additional)	06765216	A705, Pearl Rajhans Dreams Stella, Barampur, Vasai, Bassein Road, Palghar, Thane 401 202, Maharashtra, India
5.	K. Jairaj Designation: Independent Director (Additional)	01875126	No. 32, 5th B Cross Road, BTM Layout, 2nd stage, Bangalore 560 076, Karnataka, India
6.	Arjun Kumar Designation: Independent Director (Additional)	00139736	2, Middleton Mansions, 9/1, Middleton Street, Kolkata 700071, West Bengal, India

For further details of the Board of Directors of our Company, please refer to the section titled "*Management*" on page 105.

Company Secretary and Compliance Officer

Sudip Ghosh is the Company Secretary and Compliance Officer our Company. His contact details are as follows:

Sudip Ghosh
Address:
CESC House, Chowringhee Square
Kolkata 700 001
West Bengal, India
Tel: +91 33 2225 6040
E-mail: cescventures@rp-sg.in

Legal Advisor to the listing

Khaitan & Co
One Indiabulls Centre
13th Floor, Tower 1
841 Senapati Bapat Marg
Mumbai- 400 013

Registrar and Transfer Agent to the Company

Link Intime India Private Limited
C 101, 1st Floor, 247 Park,
L B S Marg, Vikhroli West,
Mumbai – 400083
Tel: +91 22 49186000 | Extn: 2375
Email: priya.agarwal@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Priya Agarwal
SEBI Registration No: INR000004058

Auditors to our Company
M/s Batliboi, Purohit & Darbari
7, Waterloo Street
Kolkata – 700 069
West Bengal, India
Tel: +91 33 22483042/ 22488867
E-mail: pjbhide@yahoo.com
Contact Person: P.J Bhide
Firm registration number: 303086E
Peer review number: 009534

Changes in auditors

There has been no change in the auditors of our Company since incorporation on February 7, 2017.

Filing

A copy of the Draft Information Memorandum has been filed with BSE, CSE and NSE.

A copy of this Information Memorandum as also been filed with BSE, CSE and NSE.

Authority for Listing

In accordance with the Scheme, the Equity Shares of our Company issued pursuant to the Scheme shall be listed and admitted to trading on the Stock Exchanges. Such admission and listing is not automatic and will be subject to fulfilment of the respective listing criteria of BSE, CSE and NSE by our Company and also subject to such other terms and conditions as may be prescribed by the Stock Exchanges at the time of the application made by our Company to the Stock Exchanges for seeking approval for listing.

Eligibility Criteria

There being no initial public offering or rights issue, the eligibility criteria prescribed under the SEBI ICDR Regulations is not applicable. However, SEBI *vide* its letter no. CFD/DIL-I/YJ/KB/735/2019 dated January 8, 2019, granted relaxation under Rule 19(2)(b) of the SCRR to our Company pursuant to an application made by our Company to SEBI under Rule 19(7) of the SCRR as per the SEBI Circular. Our Company has submitted the Draft Information Memorandum and this Information Memorandum, containing information about our Company, making disclosures in line with the disclosure requirement for public issues, as applicable to BSE, CSE and NSE and this Information Memorandum shall be made available to public through the respective websites of the Stock Exchanges at www.bseindia.com, www.cse-india.com and www.nseindia.com. Our Company shall also make the Information Memorandum available on its website at www.cescventures.com/. Our Company shall also publish an advertisement in the newspapers containing the details in terms of Para III(A)(5) of Annexure I of the SEBI Circular. The advertisement shall draw specific reference to the availability of the Information Memorandum on our Company's website.

General Disclaimer from our Company

Our Company accepts no responsibility for statements made otherwise than in this Information Memorandum or in the advertisements to be published in terms of Para III(A)(5) of Annexure I of the SEBI Circular or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public at large and no selective or additional information would be available for a section of the investors in any manner.

CAPITAL STRUCTURE

Equity Share Capital

A. Share Capital of our Company prior to the Scheme of Arrangement

Particulars	Amount (₹)
Authorized capital 75,00,00,000 Equity Shares of ₹ 10 each	750,00,00,000
Issued, subscribed and paid-up share capital 57,50,50,000 Equity Shares of ₹10 each fully paid up	575,05,00,000

B. Share Capital of our Company post the Scheme of Arrangement

Particulars	Amount (₹)
Authorized capital 1,25,00,00,000 Equity Shares of ₹10 each	12,50,00,00,000
Issued, subscribed and paid-up share capital 2,65,11,409 Equity Shares of ₹10 each fully paid up	26,51,14,090

Note: The post scheme capital structure is as of the date of this Information Memorandum.

Notes to the Capital Structure

1. Equity share capital history of our Company

(a) The history of the equity share capital of our Company is provided in the following table:

Date of Allotment	No. of Equity Shares allotted/cancelled	Face value (₹)	Issue price (₹)	Cumulative number of Equity Shares outstanding	Cumulative paid up Equity Share Capital outstanding (₹)	Nature of allotment	Consideration (Cash, other than cash, etc.)
February 7, 2017(1)	50,000	10	-	50,000	5,00,000	Subscribers to the Memorandum of Association	-
July 10, 2017(2)	57,50,00,000	10	10	57,50,50,000	575,05,00,000	Rights issue	Cash
November 14, 2018(3)	2,65,11,409	10	-	60,15,61,409	601,56,14,090	Allotment of Equity Shares pursuant to the Scheme	Amalgamation
November 14, 2018(4)	(57,50,50,000)	10	-	2,65,11,409	26,51,14,090	Cancellation of initial share capital pursuant to the Scheme	-

(1) Allotment of 50,000 Equity Shares: CESC (49,994 Equity Shares) and one Equity Share each to six nominees of CESC.

(2) Allotment of 57,50,00,000 Equity Shares to Haldia Energy Limited by way of a rights issue (pursuant to renunciation by CESC).

(3) On November 14, 2018, our Company allotted 2,65,11,409 Equity Shares to the Eligible Shareholders of CESC. For further details of the Scheme, see "Scheme of Arrangement" on page 102.

(4) Upon the Scheme becoming effective from the Appointed date, the issued, subscribed and paid-up Equity Share capital of our Company consisting of 57,50,50,000 Equity Shares aggregating to ₹575,05,00.000 was cancelled on November 14, 2018. For further details of the Scheme, see "Scheme of Arrangement" on page 102.

(b) Other than the allotment of Equity Shares to the Eligible Shareholders of CESC on November 14, 2018, our Company has not allotted any Equity Shares for consideration other than cash. Further our Company has not made a bonus issue since our incorporation.

2. **Shareholding pattern of our Company prior and post Scheme:**

A. *The shareholding pattern of our Company prior to the allotment of shares under the Scheme is as under:*

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+ C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+ C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class eg: Equity Shares	Class eg: Others	Total								
(A)	Promoter and Promoter Group	7*	57,50,50,000	0	0	57,50,50,000	100.00	57,50,50,000	Nil	57,50,50,000	100.00	0	100.00	0	0.00	0	0.00	57,50,50,000
(B)	Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C)	Non Promoter-Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	7*	57,50,50,000	0	0	57,50,50,000	100.00	57,50,50,000	Nil	57,50,50,000	100.00	0	100.00	0	0.00	0	0.00	57,50,50,000

**Includes 6 individual shareholders holding 1 Equity Share each and acting as nominees of CESC.*

B. *The shareholding pattern of our Company post allotment of Equity Shares under the Scheme is as under:*

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class eg: Equity Shares	Class eg: Others	Total								
(A)	Promoter and Promoter Group	13	1,32,34,437	0	0	1,32,34,437	49.92	1,32,34,437	Nil	1,32,34,437	49.92	0	49.92	0	0.00	0	0.00	1,32,34,437
(B)	Public	55,402	1,32,75,386	0	0	1,32,75,386	50.08	1,32,75,386	Nil	1,32,75,386	50.08	0	50.08	0	0.00	0	0.00	1,29,56,411
(C)	Non Promoter-Non Public	1	0	0	1,586	1,586	0.00	0	Nil	0	0.00	0	0.00	0	0.00	0	0.00	0
(C1)	Shares underlying DRs	1	0	0	1,586	1,586	0.00	0	Nil	0	0.00	0	0.00	0	0.00	0	0.00	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0.00	0	Nil	0	0.00	0	0.00	0	0.00	0	0.00	0
	Total	55,416	2,65,09,823	0	1,586	2,65,11,409	100.00	2,65,09,823	Nil	2,65,09,823	100.00	0	100.00	0	0.00	0	0.00	2,61,90,848

3. Major Shareholders of our Company two years prior to this Information Memorandum

Our Company as incorporated on February 7, 2017, and hence our Company was not incorporated two years prior to the date of this Information Memorandum.

4. Major shareholders of our Company one year prior to the date of this Information Memorandum

CESC held 100% of our Equity Shares (including six Equity Shares held by six individuals as nominees of CESC), one year prior to the date of this Information Memorandum.

5. Major shareholders of our Company 10 days prior and as on the date of this Information Memorandum

The details of the major Shareholders of our Company holding cumulatively 80% of the paid-up capital of our Company 10 days prior as well as on the date of this Information Memorandum is set out below:

No.	Name of the shareholder	Number of Equity Shares held	Percentage of Equity Shares held to the total paid up Equity Share capital (in %)
1.	Rainbow Investments Limited	1,17,59,326	44.36
2.	HDFC Trustee Company Limited - HDFC Equity Fund	11,69,471	4.41
3.	HDFC Trustee Company Ltd. A/C HDFC Top 100 Fund	5,62,650	2.12
4.	BNK Capital Markets Limited	5,52,904	2.09
5.	Stel Holdings Limited	4,98,694	1.88
6.	HDFC Trustee Company Ltd. A/C HDFC Balanced Advantage Fund	4,43,000	1.67
7.	Life Insurance Corporation of India	4,42,256	1.67
8.	Phillips Carbon Black Limited	3,37,239	1.27
9.	Franklin Templeton Mutual Fund A/C Franklin India Prima Fund	3,25,800	1.23
10.	Abu Dhabi Investment Authority - Lglinv	2,73,664	1.03
11.	Rochdale Emerging Markets (Mauritius)	2,70,537	1.02
12.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Fund	2,64,800	1.00
13.	Saregama India Limited	2,51,997	0.95
14.	MFS International New Discovery Fund	2,41,157	0.91
15.	Integrated Coal Mining Limited	2,15,072	0.81
16.	Reliance Capital Trustee Company Limited A/C Reliance Growth Fund	2,12,290	0.80
17.	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	2,05,828	0.78
18.	Vanguard Total International Stock Index Fund	1,92,563	0.73
19.	Reliance Strategic Investments Limited	1,91,502	0.72
20.	DSP Equity Opportunities Fund	1,89,087	0.71
21.	MFS Emerging Markets Equity Fund	1,84,404	0.70
22.	SBI Life Insurance Co. Ltd.	1,73,400	0.65
23.	UTI - Hybrid Equity Fund	1,60,460	0.61
24.	Ishares Core Emerging Markets Mauritius Co.	1,56,871	0.59

No.	Name of the shareholder	Number of Equity Shares held	Percentage of Equity Shares held to the total paid up Equity Share capital (in %)
25.	Canara Robeco Mutual Fund A/C Canara Robeco Emerging Equities	1,55,817	0.59
26.	Emerging Markets Core Equity Portfolio (The Portfolio) Of DFA Investment Dimensions Group Inc. (DFAIDG)	1,33,895	0.51
27.	SBI Magnum Taxgain Scheme	1,32,456	0.50
28.	ICICI Prudential Top 100 Fund	1,31,954	0.50
29.	DSP Tax Saver Fund	1,27,084	0.48
30.	The Emerging Markets Small Cap Series Of The DFA Investment Trust Company	1,20,878	0.46
31.	Franklin Templeton Mutual Fund A/C Franklin India Equity Advantage Fund	1,16,156	0.44
32.	HDFC Trustee Company Limited – HDFC Infrastructure Fund	1,10,883	0.42
33.	ICICI Prudential Value Fund - Series 19	1,00,755	0.38
34.	Reliance Nippon Life Insurance Co Limited	98,370	0.37
35.	Sundaram Mutual Fund A/C Sundaram Diversified Equity	82,000	0.31
36.	National Insurance Company Ltd.	75,900	0.29
37.	IDFC Sterling Value Fund	75,000	0.28
38.	The New India Assurance Company Limited	65,818	0.25
39.	Abakkus Growth Fund-1	65,000	0.25
40.	Deutsche Bank A.G.	64,224	0.24
41.	ICICI Prudential Equity & Debt Fund	61,646	0.23
42.	Alliancebernstein India Growth (Mauritius) Limited	59,148	0.22
43.	Kolkata Metro Networks Limited	57,000	0.22
44.	Wisdomtree India Investment Portfolio, Inc.	56,470	0.21
45.	Elara Global Funds - Elara Emerging Markets Fund	54,800	0.21
Total		2,12,20,226	80.04

6. **Details of Equity Shares held by our Directors**

Except as stated below, none of our Directors hold Equity Shares in our Company as on the date of this Information Memorandum:

Name of the Director	No. of Equity Shares held	Percentage of the paid-up Equity Share capital (in %)
Sanjiv Goenka	26,958	0.10
Shashwat Goenka	22,281	0.08
Total	**49,239**	**0.18**

7. **Shareholding of our Promoters**

Our Promoters, RIL and Sanjiv Goenka have acquired their shareholding in our Company, pursuant to the allotment of Equity Shares under the Scheme to the Eligible Shareholders on November 14, 2018. The details of their shareholding are set forth below:

Name of person	No. of Equity Shares held	Percentage of the paid-up Equity Share capital (in %)
Rainbow Investments Limited	1,17,59,326	44.36
Sanjiv Goenka	26,958	0.10
Total	**1,17,86,284**	**44.46**

All of the Equity Shares held by our Promoter are fully paid up and none of such Equity Shares have been pledged in any manner. Further, all the Equity Shares held by our Promoters are in dematerialised form.

8. Details of Equity Shares held by the members of our Promoter Group and by the directors of RIL:

Except as stated below, none of the members of our Promoter Group hold Equity Shares in our Company as on the date of this Information Memorandum:

Name of person	Category	No. of Equity Shares held	Percentage of the paid-up Equity Share capital (in %)
Rainbow Investments Limited	Promoter	1,17,59,326	44.36
Sanjiv Goenka	Promoter	26,958	0.10
Shashwat Goenka	Member of Promoter Group	22,281	0.08
Preeti Goenka	Member of Promoter Group	5,044	0.02
Sanjiv Goenka HUF	Member of Promoter Group	2,459	0.01
Avarna Goenka	Member of Promoter Group	100	Negligible
Stel Holdings Limited	Member of Promoter Group	4,98,694	1.88
Phillips Carbon Black Limited	Member of Promoter Group	3,37,239	1.27
Saregama India Limited	Member of Promoter Group	2,51,997	0.95
Integrated Coal Mining Limited	Member of Promoter Group	2,15,072	0.81
Kolkata Metro Networks Limited	Member of Promoter Group	57,000	0.22
Castor Investments Limited	Member of Promoter Group	50,000	0.19
Dotex Merchandise Private Limited	Member of Promoter Group	8,267	0.03
Total		1,32,34,437	49.92

Further, none of the directors of RIL, hold any Equity Shares in our Company.

9. As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares.

10. Except, the allotment of the Equity Shares pursuant to the Scheme, no Equity Shares have been issued pursuant to a scheme approved under Sections 391-394 of the Companies Act, 1956 or the Sections 230 to 234 of the Companies Act, 2013.

11. Our Company has not implemented an employee stock option scheme since incorporation.

12. Our Company has not issued any Equity Shares out of revaluation reserves.

13. Our Company, our Directors and our promoters have not entered into any buy-back, standby or similar arrangements to purchase equity shares of the Company from any person.

14. There shall be only one denomination of equity shares of our Company, subject to applicable regulations and our Company shall comply with such disclosure and accounting norms, specified by SEBI from time to time.

15. Other than pursuant to the Scheme, the members of the Promoter Group and/or the directors of RIL and/or our Directors and their relatives have not purchased or sold, directly or indirectly, any Equity Shares from the date of approval of the Scheme by the NCLT on March 28, 2018 till the date of submission of this Information Memorandum.

16. There are/have been no financing arrangements whereby any member of our Promoter Group and/or the directors of RIL and/or our Directors and their relatives have financed the purchase by any other person of securities of our Company from the date of approval of the Scheme by the NCLT on March 28, 2018 till the date of submission of this Information Memorandum.

17. Other than the Scheme. there shall be no issue of capital by our Company whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of approval of the Scheme till listing of the Equity Shares allotted as per the Scheme.

18. Our Company has 55,416 Equity Shareholders as on date of filing of this Information Memorandum.

STATEMENT OF SPECIAL TAX BENEFITS

October 30, 2018

RP-SG Business Process Services Limited
CESC House,
Chowringhee Square,
Kolkata - 700 001

Dear Sirs,

We hereby enclose our report on the possible tax benefits available to RP-SG Business Process Services Limited ("Company") and its shareholders under the direct tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

This statement is intended to provide the tax benefits to the Company and its shareholders in a general and summarized manner and does not purport to be a complete analysis or listing of all the provisions of potential tax consequences. In view of the individual nature of tax consequences and the changing tax laws, each shareholder is advised to consult his or her or their own tax consultant with respect to the specific tax implications.

We do not express any opinion or provide any assurance as to whether:

a) The Company or its shareholders will continue to obtain these benefits in future; or

b) The conditions prescribed for availing the benefits have been *I* would be met with.

The enclosed statement is prepared based on the information given to us by the Company and is accordingly, given specifically for the use by the Company and for the purpose of inclusion in the Information Memorandum in connection with the Composite Scheme of Arrangement.

The views expressed in the statement are matters of opinion based on our understanding of the law and regulations prevailing as of the date of this statement and our past experience with the tax, regulatory or other authorities as may be applicable. However, there can be no assurance that the tax authorities or regulators may not take a position contrary to our views.

Legislation and the policies of the authorities as well as their interpretations are a/so subject to change from time to time, and these may have a bearing on the advice that we have given. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of our comments and recommendations contained in this statement.

Notwithstanding anything to the contrary, this advice was prepared exclusively for the Company in relation to the Information Memorandum and is based on the facts as presented to us as at the date the advice was given. The advice is dependent on specific facts and circumstances and may not be appropriate to another party.

Neither we, nor our Partners/ Directors, employees and **I** or agents, owe or accept any duty of care or any responsibility to any other party, whether in contract or in tort (including without limitation, negligence or breach of statutory duty) however arising, and shall not be liable in respect of any loss, damage or expense of whatever nature which is caused to any other party.

Yours faithfully,
For Batliboi, Purohit & Darbari
Chartered Accountants
FRN: 303086E

Hemal Mehta
Partner
Membership No. 063404

STATEMENT OF TAX BENEFITS

Outlined below are the possible tax benefits available to the company and its shareholders under the direct tax laws in force in India (i.e. applicable for the Financial Year 2018-19 relevant to the assessment year 2019-20). Several of these benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the company or its shareholders to derive the possible tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may or may not choose to fulfil.

UNDER THE INCOME TAX ACT, 1961 ("THE I.T. ACT")

BENEFITS TO THE COMPANY UNDER THE I.T. ACT

a) Dividends

- As per the provisions of section 10(34) read with section 115-O of the I.T. Act, dividend (both interim and final), if any, received by the company on its investments in shares of another domestic company is exempt from tax.

  However, as per section 94(7) of the I.T. Act, losses arising from purchase and sale of securities, where such securities are bought or acquired within a period of three months prior to the record date and such securities are sold or transferred within three months from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt, if any.

- Any amount declared, distributed or paid by the company to shareholders by way of dividends on or after 1 April 2003, whether out of current or accumulated profits, shall be charged to additional income tax i.e. dividend distribution tax (hereinafter referred to as 'DDT') at the rate of 15 percent (plus applicable surcharge and cess) under section 115-O of the I.T. Act. For removing the cascading effect of dividend distribution tax, the following dividends received by a domestic company shall be reduced from the amount of dividend declared, distributed or paid by it:

  a) dividend received from a foreign subsidiary on which income-tax has been paid by the domestic company under section 115BBD of the I.T. Act.

  b) dividend received from a domestic subsidiary if the subsidiary has paid tax on such dividend under section 115-O of the I.T. Act .

  In view of the amendment brought in by Finance (No.2) I.T. Act, 2014, for the purpose of determining the tax on distributed profits payable in accordance with section 115-O of the I.T. Act, the amount of dividend needs to be increased to such amount as would, after reduction of tax on such increased amount at the specified rate, be equal to the net distributed profits.

- As per the provisions of section 115BBD of the I.T. Act, dividend received by Indian company from a specified foreign company (i.e. a foreign company in which the Indian company holds 26% or more of the equity share capital) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess).

- Any income received from distribution made by any mutual fund specified under section 10(23D) of the I.T. Act or from the administrator of the specified undertaking or from the units of specified company referred to in section 10(35) of the I.T. Act, is exempt from tax in the hands of the company under section 10(35) of the I.T. Act.

  However, as per section 94(7) of the I.T. Act, losses arising from the sale/ redemption of units purchased within three months prior to the record date (for entitlement to receive income) and sold within nine months from the record date, will be disallowed to the extent of the amount of income claimed as exempt, if any.

- The dividend income which is exempt is also excluded from the computation of book profits for the purpose of levy of minimum alternate tax under section 115JB of the I.T. Act.
- As per provisions of section 14A of the I.T. Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

b) Capital gains

Long Term Capital gains

- As per the provisions of section 2(29A) of the I.T. Act, read with section 2(42A) of the I.T. Act, a listed equity share is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.
- Section 112A provides for tax on long-term capital gains (LTCG) arising on transfer of the following assets -
- Equity shares in a company listed in a recognized stock exchange;
- Unit of an equity oriented fund;
- Unit of a business trust.

  The LTCG exceeding INR 1 Lakh from the transfer of these assets made on or after 01 April 2018 would be taxed at the rate of 10 percent.

  This section would apply to the above assets if they are held for a period of more than 12 months immediately before the date of transfer and the Securities Transaction Tax (STT) is paid at the time of acquisition and transfer in case of equity shares and at the time of transfer in case of others.

  Further, as per provisions of the I.T. Act, the benefit of inflation indexation of the cost of acquisition would not be available for computing LTCG for these assets. The cost of acquisition of the assets shall be determined in accordance with the provisions of section 55 of the I.T. Act.

- As per provisions of section 112 of the I.T. Act, LTCG (other than LTCG which are chargeable to tax under section 112A of the I.T. Act) are subject to tax at the rate of 20% with indexation benefits. However, in case of listed securities (other than unit), the amount of such tax would be limited to 10% (plus applicable surcharge and cess), without indexation benefit, at the option of the assessee.

Short Term Capital Gains

- As per provisions of section 111A of the I.T. Act, Short Term Capital Gain (STCG) arising on sale of equity shares or units of equity oriented mutual fund which has been set up under a scheme of a mutual fund specified under section 10(23D) or a unit of a business trust, are subject to tax at the rate of 15% provided the transaction is chargeable to STT.
- No deduction under Chapter VIA is allowed from income which is chargeable to tax under section 111A or section 112 or section 112A.
- STCG arising on sale of equity shares or units of equity oriented mutual fund as defined which has been set up under a scheme of a mutual fund specified under section 10(23D), where such transaction is not chargeable to STT or STCG arising from any other capital asset is taxable at the normal rate of tax applicable to the company (plus applicable surcharge and cess).
- As per section 50 of the I.T. Act, where a capital asset is forming part of a block of asset in respect of which depreciation has been allowed under the I.T. Act, capital gains shall be computed in the following manner:

  where full value of consideration on account of transfer of any asset forming part of block of asset, as reduced by expenditure incurred wholly or exclusively in connection with transfer, exceeds the written down value of block of assets and actual cost of assets acquired during the year, such excess shall be deemed to be short term capital gains and taxed accordingly.

- where any block of assets ceases to exist, for the reason that all the assets in that block are transferred, the difference between the consideration arising on result of transfer and the written down value of block of assets and the actual cost of assets acquired during the year, shall be deemed to be short term capital gains/ (losses) and taxed accordingly.

Other Provisions

- Book Income on transfer of investment in a company is to be taken into account while determining book profits in accordance with provisions of section 1l5JB of the I.T. Act.
- As per provisions of section 71 read with section 74 of the I.T. Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set off against capital gains arising in the subsequent assessment year. However, no loss shall be carried forward for more than eight assessment years immediately succeeding the assessment year in which such loss is first computed.
- As per provisions of section 71 read with section 74 of the I.T. Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set off only against long-term capital gains arising in the subsequent assessment year. However, no loss shall be carried forward for more than eight assessment years immediately succeeding the assessment year in which such loss is first computed.
- In accordance with and subject to the conditions and to the extent specified in section 54EC of the I.T. Act, the company would be entitled to exemption from tax on long term capital gains arising from the transfer of long term capital assets (being land or building or both) if such long term capital gain is invested within a period of six months from the date of transfer in long term specified assets. The maximum investment in the long term specified asset cannot exceed INR 5,000,000 during any financial year. Further, the aggregate of investment in specified asset cannot exceed INR 5,000,000 from a transfer even if it is spread in two financial years. Where the long term specified asset is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified assets is transferred or converted into money.

  As per the I.T. Act, long-term specified asset for making any investment under section 54EC shall mean:

  i) on or after the 1st day of April, 2007 but before the 1st day of April, 2018, any bond, redeemable after three years and issued on or after the 1st day of April, 2007 but before the 1st day of April, 2018;

  ii) on or after the 1st day of April, 2018, any bond, redeemable after five years and issued on or after the 1st day of April, 2018, by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988 or by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 or any other bond notified in the Official Gazette by the Central Government in this behalf.

c) **Minimum Alternate Tax (MAT) Credit**

- As per provisions of section l l5JAA of the I.T. Act, the company is eligible to claim credit for Minimum Alternate Tax (MAT) paid for any assessment year commencing on or after April 1, 2006 against normal income-tax payable in subsequent assessment years. The amount of credit available shall be the difference between MAT payable under section 115JB of the I.T. Act and taxes payable on total income computed under other provisions of the I.T. Act.

- MAT credit shall be allowed to be carried forward for any assessment year to the extent of difference between the tax paid under section l15JB and the tax payable as per the normal provisions of the I.T. Act for that assessment year. Such MAT credit is available for set-off up to 15 years succeeding the assessment year in which the MAT credit arises. The amount of MAT credit that can be set off in a particular assessment year shall not exceed the difference between the amount of tax payable on total income computed under the normal provisions of the I.T. Act and tax payable under the provisions of section 115JB of the I.T. Act in such year.

d) **Other**

- Depreciation

  The company would be entitled to claim depreciation on specific tangible and intangible assets owned by it and used for the purpose of its business under section 32 of the I.T. Act. In case an asset is put to use for less than 180 days during a previous year, the company would be entitled to claim depreciation at half the prescribed rates of depreciation.

  Unabsorbed depreciation, if any, for an assessment year can be carried forward without any time limit and set off against any head of income in the subsequent assessment years.

- Deduction **under section 35**

  The company would be entitled to deduction in respect of expenditure laid out or expended on scientific research relating to its business in accordance with and subject to the provision of section 35 of the I.T. Act.

- Deduction **under section 35DD**

  The company would be eligible to claim deduction under section 35DD of the I.T. Act of 1/5th of the amount of expenditure incurred wholly and exclusively for the purposes of amalgamation or demerger of an undertaking for five successive previous years beginning with the year in which the amalgamation or demerger takes place.

- Deduction **under section 35DDA**

  As per section 35DDA I.T. Act, the company would be eligible for deduction in respect of payments made to its employees in connection with their voluntary retirement in accordance with any scheme or schemes of an amount equal to 1/5th of such payments over 5 successive assessment years subject to conditions and limits specified in that section.

- **Intra-**head **set off of losses**

  As per section 70 of the I.T. Act, the company is entitled to intra-head set-off of loss in an assessment year in the following manner:

  a) Loss from a source against income from another source within the same head of income (except loss under the head ‘capital gain’)

  b) Short term capital loss against capital gain (whether short term or long term)

  c) Long term capital loss against long term capital gains

As per section 71(1) and 71(2) of the I.T. Act, the company is entitled to inter-head 'set-off' of loss (other than capital gains) against any other head of income for that assessment year. As per section 71(3) of the Act, the company is not entitled to 'set-off' loss under the head 'Capital Gains' against income under any other head.

As per section 72(1) of the I.T. Act, the company is entitled to 'set-off' brought forward business loss, not being loss sustained in a speculation business, against business income in subsequent years. In accordance with the provisions of section 72(3) of the I.T. Act, such losses can be carried forward for eight assessment years.

- Income **from Other Sources**
  Receipt of a sum of money or any "property'' (as defined in section 56(2)(x) of the I.T. Act) by any person without consideration or for inadequate consideration in excess of 50,000 shall be chargeable to tax in the hands of the recipient under the head "Income from other sources" to the extent the consideration is less than Fair Market Value or Stamp duty value, as the case may be, unless specifically exempted under the provisions of the I.T. Act.

- As per section 115U of the I.T. Act, any income received by a person out of investments made in a venture capital company (VCC) or venture capital fund (VCF) shall be chargeable to income-tax in the same manner as if it were the income received by such person had he made investments directly in the venture capital undertaking (VCU).

- As per section 80JJAA, where the gross total income of an assessee to whom section 44AB applies, includes any profits and gains derived from business, there shall, subject to the conditions specified in sub-section (2), be allowed a deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. However, no deduction under this section shall be allowed if the business is formed by splitting up, or the reconstruction, of an existing business, or, if the business is acquired by the assessee by way of transfer from any other person or as a result of any business reorganization.

- As per the provisions of section 90, for taxes on income paid in Foreign Countries with which India has entered into Double Taxation Avoidance Agreements (Tax Treaties from projects/activities undertaken thereat), the company will be entitled to the deduction from the India Income-tax of a sum calculated on such doubly taxed income to the extent of taxes paid in Foreign Countries. Further, the company as a tax resident of India would be entitled to the benefits of such Tax Treaties in respect of income derived by it in foreign countries. In such cases the provisions of the Income tax Act shall apply to the extent they are more beneficial to the company. Section 91 of the I.T. Act provides for unilateral relief in respect of taxes paid in foreign countries.

- As per provisions of section 80G of the I.T. Act, the company is entitled to claim deduction of a specified amount in respect of eligible donations, subject to the fulfilment of the conditions specified in that section.

BENEFITS TO THE SHAREHOLDERS OF THE COMPANY UNDER THE I.T. ACT

a) Dividends

- As per the provisions of section 10(34) of the I.T. Act, dividend (both interim and final), if any, as referred to in section 115-O of the I.T. Act, received by the members/ shareholders from the company is exempt from tax..
  However, the Finance Act 2016 has introduced section l15BBDA which provides that the aggregate of dividends received by a specified assessee resident in India from domestic companies in excess of INR 10 lakh will be taxed at 10 percent on a gross basis and no deduction will be available for any

expenditure against such income.

- Further, section 94(7) of the I.T. Act provides that losses arising from the sale/transfer of shares purchased within a period of three months prior to the record date and sold/ transferred within three months after such date, will be disallowed to the extent dividend income on such shares is claimed as tax exempt, if any.

- Further, as per provisions of section 14A of the I.T. Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining the taxable income

b) Capital gains

Computation of capital gains

- Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. Equity Shares listed on a recognized stock exchange in India held by an assessee for more than 12 months, immediately preceding the date of transfer, are considered to be long-term capital assets. Capital gains arising from the transfer of such long term capital assets are termed as Long Term Capital Gains (LTCG).

- Short Term Capital Gains (STCG) means capital gains arising from the transfer of equity shares listed on a recognized stock exchange in India held for 12 months or less, immediately preceding the date of transfer.

Long Term Capital Gains

- Section 112A provides for tax on long-term capital gains arising on transfer of the following assets-

- Equity shares in a company listed in a recognized stock exchange;

- Unit of an equity oriented fund;

- Unit of a business trust.

  The LTCG exceeding INR 1 Lakh from the transfer of these assets made on or after 1st April 2018 will be taxed at 10 percent.

  The section would apply to the above assets if they are held for a period of more than 12 months immediately before the date of transfer and the Securities Transaction Tax (STT) is paid at the time of acquisition and transfer in case of equity shares and at the time of transfer in case of others.

  Further, as per the provisions of the I.T. Act, the benefit of inflation indexation of the cost of acquisition would not be available for computing LTCG for these assets. The cost of acquisition of the asset shall be determined in accordance with the provisions of section 55 of the I.T. Act.

- Taxable LTCG would arise [if not exempt under any section of the I.T. Act] to a resident shareholder where the equity shares are held for a period of more than 12 months prior to the date of transfer of the shares. In accordance with and subject to the provisions of section 48 of the I.T. Act. in order to arrive at the quantum of capital gains, the following amounts would be deductible from the full value of consideration:

  a) Cost of acquisition/ improvement of the shares and

  b) Expenditure incurred wholly and exclusively in connection with the transfer of shares.

- As per provisions of section 112 of the I.T. Act, taxable LTCG (other than the LTCG which are chargeable to tax under section 112A of the I.T. Act) are subject to tax at a rate of 20 percent (plus applicable surcharge and cess) after indexation, as provided in the second proviso to section 48 of the I.T. Act. However, in case of listed securities (other than unit), the amount of such tax would be limited to 10 percent (plus applicable surcharge and cess), without indexation, at the option of the shareholder.

- In respect of a non-resident shareholder, as per the first proviso to section 48 of the I.T. Act, the capital gains arising from the transfer of shares and debentures of an Indian company, shall be computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the full value of consideration into the same foreign currency as was initially utilised in the purchase of the shares and the capital gains so computed shall be reconverted into Indian currency. The benefit of indexation as provided in second proviso to section 48 is not available to non-resident shareholders in respect of such assets.

Short Term Capital Gain

- As per the provisions of section 111A of the I.T. Act, STCG arising from the transfer of an equity share in a company, is subject to tax at the rate of 15 percent provided that the transaction of sale of such equity share is chargeable to STT.

- If the provisions of section 111A are not applicable, the STCG would be taxed at the normal rates of tax (plus applicable surcharge and cess) applicable to resident investor.

- No deduction under Chapter VIA is allowed on income which is chargeable to tax under section 111A or section 112 or section 112A of the I.T. Act.

Other Provisions

- As per provisions of section 71 read with section 74 of the I.T. Act, short term capital loss arising during a year is allowed to be set-off against STCG as well as LTCG. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Further, long term capital loss arising during a year is allowed to be set-off only against LTCG. Balance loss, if any, shall not be carried forward and set-off against LTCG for more than eight assessment years.

- If the shareholder is a company liable to pay tax on book profits under section 115JB of the I.T. Act, the book gain arising from transfer of equity shares shall form part of book profits while computing the tax payable under section l 15JB of the I.T. Act.

- The characterization of the gain/ losses, arising from sale/ transfer of shares as business income or capital gains would depend on the nature of holding and various other factors. The Central Board of Direct Taxes (CBDT) has vide circular nos. 4 of 2007 dated 15th June, 2007 and 6 of 2016 dated 29th February, 2016 clarified that there are various conditions which are to be considered to determine whether income arising from transfer of shares are chargeable as capital gains or business income. These conditions inter alia include that where the assessee itself, irrespective of the period of holding opts to treat listed shares and securities as its stock-in-trade, the income arising from transfer thereof would be treated as its business income.

- Under section 36(1)(xv) of the I.T. Act, STT paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and Gains of Business or Profession”.

Exemption of capital gain from income-tax:

- As per the provisions of section 54F of the I.T. Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilised within a period of one year before or two years after the date of transfer, for purchase of a new residential house, or for construction of a residential house property, in India, within three years from the date of transfer, subject to conditions and to the extent specified therein.

c) Other provisions

Receipt of a sum of money or any "property'' (as defined in section 56(2)(x) of the I.T. Act) by any person without consideration or for inadequate consideration in excess of 50,000 shall be chargeable to tax in the hands of the recipient under the head "Income from other sources" to the extent the consideration is less than Fair Market Value or Stamp duty value, as the case may be, unless specifically exempted under the provisions of the I.T. Act

d) Tax treaty benefits

As per provisions of section 90(2) of the I.T. Act, non-resident shareholders can opt to be taxed in India as per the provisions of the I.T. Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial, while deciding taxability in India (subject to furnishing of Tax Residency Certificate & information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013.). However, it may be noted that Tax Authorities may ask for other information and supporting documents ifrequired.

e) Requirement to furnish PAN under the I.T. Act

- Section 139A (5A) requires every person from whose income; tax has been deducted at source under Chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deduction of tax at source.
- Section 206AA of the I.T. Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIB (deductee) to furnish his PAN to the deductor, failing which tax shall be deducted at the highest of the following rates:
  - (i) at the rate specified in the relevant provision of the I.T. Act; or
  - (ii) at the rate or rates in force; or
  - (iii) at the rate of twenty per cent.
- As per section 206AA(7), with effect from June 1, 2016, the provisions of section 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect of:
  - (i) Payment of interest on long-term bonds as referred to in section 194LC; and
  - (ii) Payment in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset, subject to fulfillment of conditions specified vide Notification no. 53/2016 dated 24th June 2016. (Rule 37BC and Form 10F)

f) Special provisions in case of Non-resident Indian taxation

Special provisions in case of Non-Resident Indian ('NRI') in respect of income/ LTCG from specified foreign exchange assets under Chapter XII-Aof the I.T. Act are as follows:

- NRI means an individual being a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
- In accordance with section 115E, income from investment or income from LTCG on transfer of assets other than specified asset shall be taxable at the rate of 20 percent (plus applicable cess). Income by way of LTCG in respect of a specified asset (as defined in section 115C(f) of the I.T. Act), shall be chargeable at 10 percent (plus applicable cess). Specified assets include shares of an Indian company.
- As per the provisions of section 115F of the I.T. Act, LTCG arising to an NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is reinvested in specified assets or in savings certificate referred to in section 10(4B) of the I.T. Act within six months of the date of transfer, subject to the extent and conditions specified in that Section. If

only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently; if the specified assets or saving certificates referred in section 10(4B) of the I.T. Act are transferred or converted into money within three years from the date of their acquisition.

- Under the provisions of section 115G of the I.T. Act, it shall not be necessary for an NRI to furnish his return of income if his only source of income is investment income or LTCG or both and tax deductible at source under provisions of Chapter XVII-B has been deducted from such income.

- Under the provisions of section 115H of the I.T. Act, where a person who is an NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he or she may furnish a declaration in writing to the assessing officer, along with his or her return of income under section 139 of the I.T. Act for the assessment year in which he or she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him or her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.

- Under the provisions of section 115-I of the I.T. Act, an NRI may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income under section 139 of the I.T. Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year. In such a situation, the other provisions of the I.T. Act shall be applicable while determining the taxable income and the tax liability arising thereon.

Benefits available to Foreign Institutional Investors ("FIIs") under the I.T. Act:

a) Dividends exempt under section 10(34) of the I.T. Act

- As per the provisions of section 10(34) of the I.T. Act, dividend (both interim and final), if any, referred to in section 115-O of the I.T. Act, received by the shareholder from a domestic company is exempt from tax.

  Further, as per section 94(7) of the I.T. Act, losses arising from purchase and sale of securities, where such securities are bought or acquired within a period of three months prior to the record date and such securities are sold or transferred within three months from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt, if any.

b) Capital gains

- In Finance Act (No.2), 2014 it was provided that any securities held by a FII which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 would be capital asset. Consequently, the income arising to a FII from transactions in securities would always be in the nature of capital gain.

Long Term Capital Gains

- In accordance with section 115AD, FIIs will be taxed at 10 percent (plus applicable surcharge and cess) on long-term capital gains (computed without indexation of cost and foreign exchange fluctuation), if STT is not payable on the transfer of the shares.

- Section 112A provides for tax on long term capital gains arising on transfer of the following assets-

  i) Equity shares in a company listed in a recognized stock exchange;

  ii) Unit of an equity oriented fund;

  iii) Unit of a business trust.

  The LTCG exceeding INR 1 Lakh from the transfer of these assets made on or after 1st April 2018 will be taxed at 10 percent.

The section would apply to the above assets if they are held for a period of more than 12 months immediately before the date of transfer; and the Securities Transaction Tax (STT) is paid at the time of acquisition and transfer, in case of equity shares and at the time of transfer in case of others.

Further, as per the provisions of the I.T. Act, the benefit of inflation indexation of the cost of acquisition would not be available for computing LTCG for these assets. Further, the cost of acquisition of the asset shall be determined in accordance with the provisions of section 55 of the I.T. Act.

As per section 115AD of the I.T. Act, in case of income arising from the long-term capital asset referred to in section 112A of the I.T. Act, income- tax at the rate of ten percent, shall be calculated on such income exceeding one lakh rupees.

Short Term Capital Gains

- As per the provisions of section 111A of the I.T. Act, STCG arising on transfer of capital asset, being equity shares in a company, shall be chargeable to tax at the rate of 15 percent (plus applicable surcharge and cess) provided the transaction of sale of such equity share is chargeable to STT. If the provisions of section 111A are not applicable to the short term capital gains, then the tax will be charged at the normal tax rate applicable to FIIs (plus applicable surcharge and cess), as applicable.

Other Provisions

- As per provisions of section l15AD of the I.T. Act, income (other than income by way of dividends referred to section 115-O of the I.T. Act) received in respect of securities (other than units referred to in section l 15AB) is taxable at the rate of 20 percent (plus applicable surcharge and cess).

- The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of section 115AD of the I.T. Act.

- Indirect Transfer provision under sections 9(1)(i) of the I.T. Act - The Central Board of Direct Taxes (CBDT) issued a clarification vide Circular No. 41 of 2016 dated December 23, 2016, stating that if an FPI has more than 50 per cent of its assets in India, with a value greater than 10 crore, then any investor with a greater than five per cent interest in or contribution to the assets under management (AUM) of the FPI will be covered by the indirect transfer rules and will be subject to Indian tax whenever this investor sells or redeems its shares in the FPI/fund.

  After the issue of the aforementioned circular, representations have been received from various FPIs, FIIs and VCFs and other stakeholders. The stakeholders have presented their concerns stating that the circular does not address the issue of possible multiple taxation of the same income. The representations made by the stakeholders are currently under consideration and examination by CBDT. Pending a decision in the matter the operation of the above mentioned circular is kept in abeyance for the time being.

c) Tax Treaty Benefits

In accordance with the provisions of section 90 of the I.T. Act, FIIs being non-residents will be entitled to choose the provisions of I.T. Act or the provisions of tax treaty entered into by India with other foreign countries, whichever are more beneficial, while deciding taxability in India (subject to furnishing of Tax Residency Certificate & information in the Form 10F as prescribed vide Notification 57 of 2013 dated August 1, 2013). However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.

d) Computation of book profit under section 115JB

An explanation has been inserted in section 115JB stating that, the provisions of section l15JB shall not be applicable and shall be deemed never to have been applicable to a foreign company if-

i. It is a resident of a country or a specified territory with which India has a tax treaty referred to in sub section (1) of section 90 and it does not have a permanent establishment in India; or

ii. It is a resident of a country with which India does not have a tax treaty and it is not required to seek registration under any law for the time being in force relating to companies.

Benefits available to Mutual Funds under the I.T. Act:

- In terms of section 10(23D) of the I.T. Act, all Mutual funds set up by public sector banks or public sector financial institutions or Mutual Funds registered under the Securities and Exchange Board of India Act/ Regulations thereunder or Mutual Funds authorised by the Reserve Bank of India, subject to the conditions specified, are eligible for exemption from income taxes on all their income, including income from investment in the shares of the company.

  However, the Mutual Funds would be required to pay tax on distributed income to unit holders as per the provisions of section 115R of the I.T. Act.

Where the Shareholder is a person located in a Notified Jurisdictional Area (NJA) under section 94A of the I.T. Act.

- All parties to such transaction shall be deemed to be associated enterprises under section 92A of the I.T. Act and the transaction shall be treated as an international transaction resulting in application of transfer pricing regulations including maintenance of documentations, benchmarking, etc.

- No deduction in respect of any payment made to any financial institution in a NJA shall be allowed under the I.T. Act unless the assessee furnishes an authorization in the prescribed form authorizing the CBDT or any other income-tax authority acting on its behalf to seek relevant information from the said financial institution (section 94A(3)(a) read with Rule 21AC and Form 10FC).

- No deduction in respect of any expenditure or allowance (including depreciation) arising from the transaction with a person located in a NJA shall be allowed under the I. T. Act unless the assessee maintains such documents and furnishes such information as may be prescribed (section 94A(3)(b) read with Rule 21AC).

- If any assessee receives any sum from any person located in a NJA, then the onus is on the assessee to satisfactorily explain the source of such money in the hands of such person or in the hands of the beneficial owner, and in case of his failure to do so, the amount shall be deemed to be the income of the assessee (section 94A(4)).

- Any sum payable to a person located in a NJA shall be liable for withholding tax at the highest of the following rates:

  (i) at the rate or rates in force;

  (ii) at the rate specified in the relevant provision of the I.T. Act; or

  (iii) at the rate of thirty per cent.

- No jurisdiction has been notified as **Notified Jurisdictional Area** (NJA) on the date of issue of the prospectus.

General Anti-Avoidance Rule (‘GAAR):

In terms of Chapter XA of the I.T. Act, General Anti-Avoidance Rule may be invoked notwithstanding anything contained in the I.T. Act. By this Rule, any arrangement entered into by an assessee where the main purpose of the arrangement is to obtain a tax benefit may be declared to be impermissible avoidance arrangement as defined in that

Chapter and the consequence would be inter alia denial of tax benefit or a benefit under a tax treaty which shall be determined in such manner as is deemed appropriate, applicable w.e.f FY 2017-18.

The Central Board of Direct Taxes (CBDT) vide Notification No. 49/2016, dated June 22, 2016, has amended the GAAR. GAAR provisions are not applicable to any income accruing or arising to, or deemed to accrue or arise to, or received or deemed to be received by, any person from transfer of investment made prior to 1 April 2017. Further, GAAR provisions are applicable to any arrangement (if held as impermissible avoidance agreement), irrespective of the date on which it has been entered into, in respect of the tax benefit obtained from an arrangement on or after April 1, 2017.

Notes:

a) All the above benefits are as per the current direct tax laws relevant for the Assessment Year 2019-20 (considering the amendments made by Finance Act, 2018).

b) The above statement covers only certain relevant benefits under the I.T. Act and does not cover benefits under any other law.

c) The possible tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.

d) In view of the individual nature of tax consequences, each investor is advised to consult his/ her own tax advisor with respect to specific tax consequences

e) The above Statement of Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares

f) The stated benefits will be available only to the sole/ first named holder in case the shares are held by joint holder.

SECTION V – ABOUT US

INDUSTRY OVERVIEW

Unless otherwise specified, all of the information and statistics in this section are extracted from the "CRISIL Industry Report on IT Enabled Services-October 2018" by CRISIL Research. The information presented in this section, including forecasts and projections have not been prepared or independently verified by us, our Directors, our Promoters, or any of our or their respective advisors.

Introduction

Business processes are a collection of related structured activities used to provide services such as human resource management, accounting, auditing, logistics, and telemarketing. Globally, companies offering information technology-enabled services (ITeS) are re-engineering such business processes to remain competitive and improve their financials. Re-engineering involves a detailed study of the most cost-effective ways for completing each activity in a process.

One way is outsourcing. Business process outsourcing ("**BPO**"), also known as business process management, is a strategy used by companies to cut costs by shifting/outsourcing processes that are not core but are essential for smooth organisational operations. Companies establish and execute outsourcing plans to improve cost structure, focus on core competencies and reduce capital investments and fixed costs.

BPO directly targets functions such as finance and accounting, human resource management, marketing, facilities management, customer relationship management, and similar activities. BPO is distinct from IT outsourcing, which focuses on hiring a third-party company or service provider for IT-related activities such as application management and development, data centre operations, testing or quality assurance.

Dominant players in the BPO sector (some of which also dominate the IT outsourcing business) include global majors such as Accenture, Capgemini and Convergys as well as Indian companies like Genpact, WNS and Wipro (*source: CRISIL*).

Akin to outsourcing, another widely adopted business strategy is offshoring. Though often used interchangeably, offshoring differs from outsourcing. Outsourcing is a make-or-buy decision where an organisation avails of services earlier available inhouse, from a third party. Offshoring, in contrast, represents the transfer of an organisational function to another country, regardless of whether the work stays in the corporation or not.

Industry Structure

BPO services make extensive use of information and telecommunication technologies. Customer interaction services, back-office services, data entry and data conversion, HR services, etc are few key activities covered by the industry.

Players providing BPO services globally can be segmented based on the business models adopted:

Evolution of the Industry

ITeS industry keeps pace with dynamic technology demands

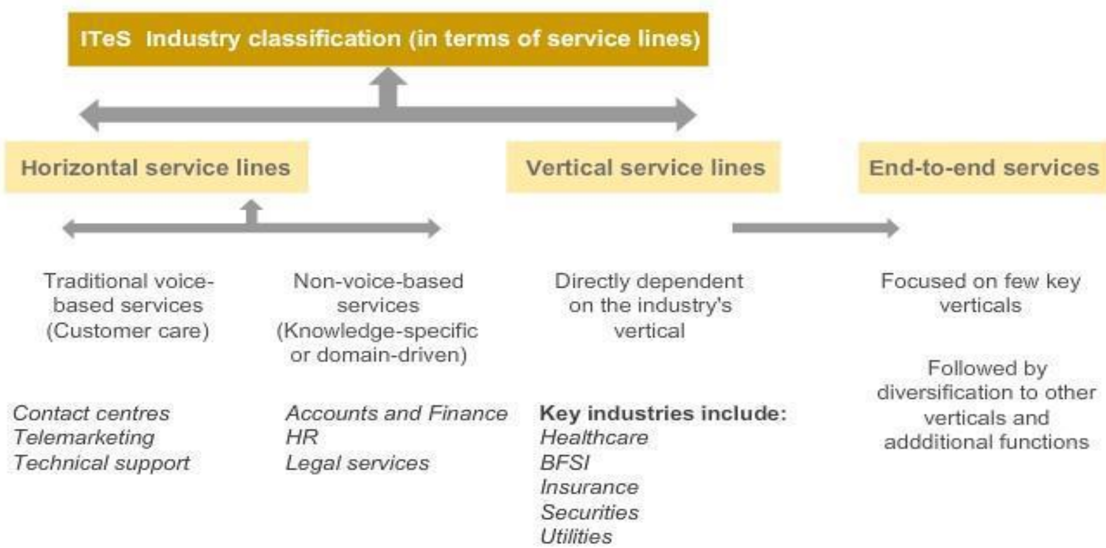
The vibrant information technology enabled services (ITeS) industry in India is a post-1990 reforms phenomenon; though it had arrived on the scene in the late 1980s. Outsourcing began tentatively in the early and mid-1990s but grew rapidly after 1994 following liberalisation measures:

- Medical transcription was one of the first services to be outsourced to India;
- Outsourcing of business processes such as data processing, billing and customer support began towards the end of 1990s, when multinational companies established wholly-owned subsidiaries for processing offshoring requirement. American Express established the first back office ITeS BPO unit in India in 1993. Subsequently, British Airways and General Electric established back-office operations in 1996 and 1998, respectively. This initial phase was also marked by an absence of vendors with proven capabilities;
- The next phase of evolution saw rise of third-party service providers or vendors (TPVs). Their value propositions were the cost advantages that an Indian player could offer, and the ability to leverage time zone differences to process non-real time transactions. The early movers displayed advantage of scale. Risks associated with outsourcing were dealt through work on regulatory and process standards;

- The current phase of evolution in the ITeS BPO industry is marked by proliferation of players and service lines. Process and regulatory standards have developed further. Cost economics have also evolved, with decline in labour arbitrage (narrowing differential in employee cost with western counterparts) being offset by process efficiencies and scale;
- Offshore outsourcing has also gained acceptance as a strategic imperative for cost reduction. Additionally, the industry has undergone some amount of consolidation;
- There has been a shift in the ITeS landscape with new technology levers around process transformation, analytics, and automation. Investments in new technologies such as robotics, 3D printing, Internet of things (IoT)/connected devices, and social, mobile, analytics and cloud (SMAC) are the major growth drivers for the global ITeS industry. Domain-specific services and big data analytics enabling business outcomes have become major differentiating factors among service providers;
- Demand for SMAC technologies has triggered the need to modernise legacy systems and cloud solutions. Business process as a service (BPaaS), mobility, and advanced analytics drive ITeS exports. In the recent past, the Indian ITeS industry has witnessed emergence of new business models, solution providers, domain specialists, platform developers, etc.; and
- The Digital India initiative of the government along with outsourcing demand from firms operating in financial services, consumer durables, automobiles, ecommerce, and telecom will propel the industry.

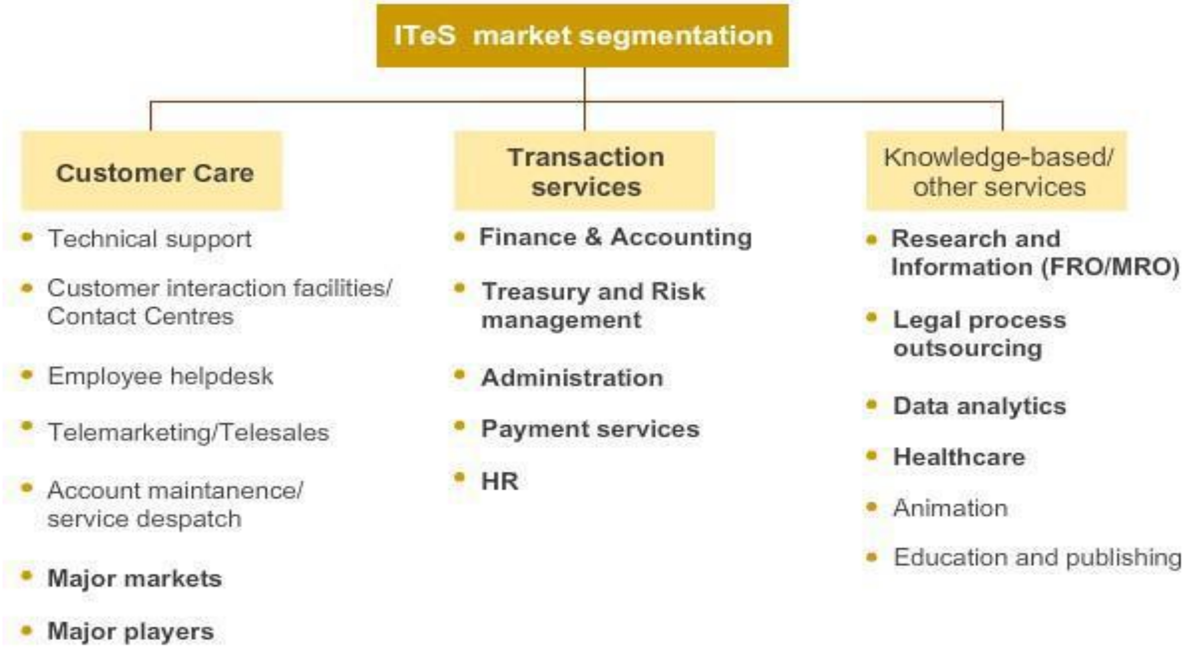
MARKET STRUCTURE

IT-enabled services (ITeS) encompass a wide range of services that rely on information technology as means of service provisioning and internet as transport medium. ITeS can be broadly categorised into horizontal and vertical-focused service lines.



Market segmentation

The Indian ITeS market is currently segmented along the service lines of customer care, finance, administration and payment services, HR services, procurement and logistics services, and knowledge process outsourcing (KPO)-based services.



Key trends

An abundant and promising talent pool, cost benefits, scope for rapid infrastructure development and a favourable political environment are some of the key drivers for India's ITeS industry. The emergence of new business models, such as solutions provider, specialist and platform developer, showcase a vertical specific and customised approach to business by players. The industry has entered the digital age and is now focused on providing existing services through social, mobile, analytics and cloud technologies (SMAC).

For example, retailers are using SMAC stacks to combine the virtual and physical shopping experience for consumers. A consumer can alert the retailer through his/her mobile whenever he/she is planning to enter the shop. While the advanced analytics team can provide the right information to the retailer about the consumers' shopping pattern, the consumer can also redeem latest offers from the cloud.

Weak demand restricts average billing rates

Billing rates have remained flat over the past one year, because of a weaker demand environment.

Average billing rates by service lines

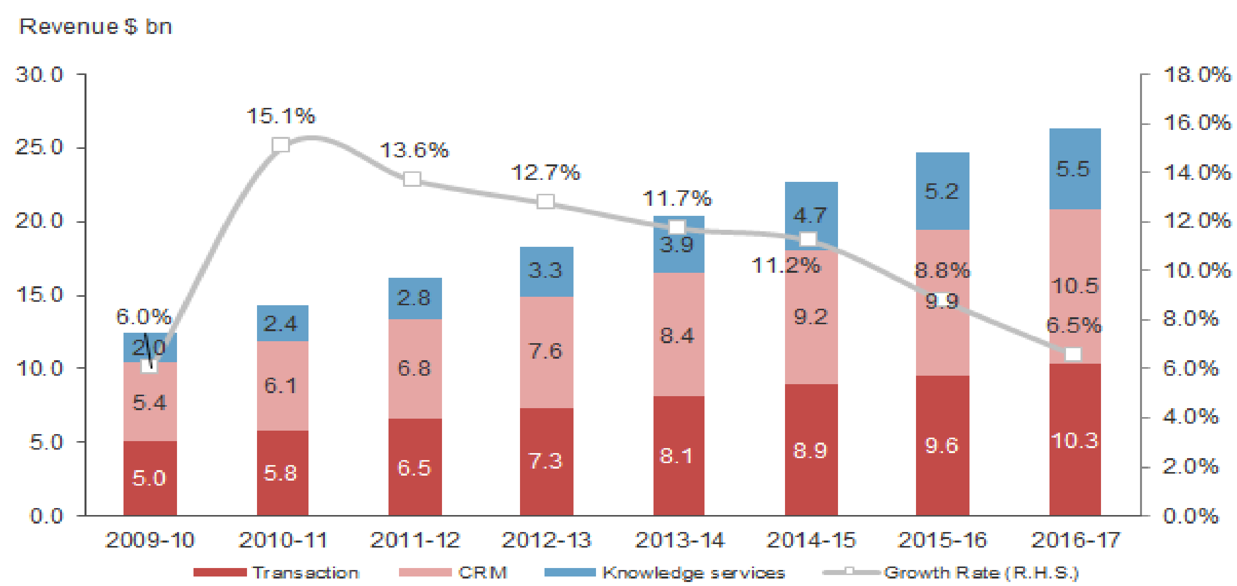
Service line	$/hr
Voice-based	
Customer care	
Inbound call centre	$10-13
Outbound call centre	$13-15
Non-voice based	
Finance and administration	$10-15
Research and data analytics	$20-35
Market research, analysis and strategy	$25-75
Legal process outsourcing	$25-35

Source: CRISIL Research

Customer care segment dominates revenue

CRISIL Research has categorised BPO (business process outsourcing) service lines, based on NASSCOM's (National Association of Software and Service Companies) reclassification of data. Certain activities such as sales and marketing are no more considered as BPO activities. Services such as finance and accounting, procurement and logistics and other vertical specific BPO services are classified under transaction services.

Revenue mix of service lines



Source: NASSCOM

Omni-channel AI-powered automated CRM delivery is becoming industry standard

Changing customer demographics is driving the use of newer and user-friendly channels, such as self-service, web and video chats, emails, mobile applications, and social media. Companies are integrating these channels to provide a unified customer experience. With increased penetration of smartphones and tablets, engaging with customers on-the-go will gain prominence. Digital communication with customers is also resulting in convergence of marketing efforts with customer services, as companies use these channels to market related products and services. This reduces the cost of operations, as service providers can handle multiple customers simultaneously. Focus is also gradually shifting from outsourcing of activities for cost reduction to improving customer experience. Clients are focusing on providing differentiated services to enhance the experience, which enables better customer retention.

Earlier CRM was multi-channel with interaction of each channel being independent of each other. Now, it is shifting to an omni- channel approach, wherein the focus has shifted from voice to providing integrated consumer experience backed by AI- powered automated processes. Under the omni-channel approach, companies seek to provide seamless experience with integration of voice, chat, and other customer interaction points. These channels enable faster delivery of services, leading to superior experience, and, hence, better satisfaction.

Consolidation in the industry continues

The global mergers and acquisitions (M&A) activity took a hit when world economies slowed down and cash reserves withered during the global meltdown. To diversify, India's ITeS players are constantly looking out for acquisitions and attempting to expand beyond local boundaries.

Besides, India's ITeS industry is fragmented and the top 10 players account for only about a 30% market share. Given that the industry has too many small players, there is significant competitive pressure and growing organically has become a big challenge in a weak demand environment. Consequently, companies have resorted to inorganic growth options.

However, the market share of the players remained more or less constant from Fiscal 2015 to Fiscal 2018 with Genpact maintaining market share at ~8% and HGS maintaining a market share of ~2% for that period. The industry is highly fragmented in nature as top 12 companies still account for only ~25% of the market with the rest dominated by small players.

Capacity expansions continue

Indian players are setting up their delivery centres and offices across global locations. The various modes of expansion and growth opportunities tapped by these players has generated more demand for manpower. In addition to successfully establishing offshore delivery centres, Indian players have also geared up their businesses in nearshore establishments. Players such as Genpact, Infosys BPO, Wipro BPO, Tech Mahindra have set up their delivery centres in locations adjacent to their clients, such as Mexico, Sri Lanka, Europe, Philippines, Romania, Guatemala and the Middle East.

Shift to higher end service-lines to counter global competitors

In a bid to tackle rising labour costs - especially with China offering cheaper and more abundant labour and alternative outsourcing markets such as the Philippines, turning more cost-effective - domestic players are moving towards higher-end service lines. The high demand for labour has outstripped supply, driving wages and turnover to levels that are no longer cost efficient. Indian companies hope to diversify their offerings and venture into new directions. However, this implies greater financial risk and increase in start-up costs, as Indian companies must now invest in development activities and should be ready to take on new risks.

Pricing models in the Industry

Maturity of the third-party model has brought with it a variety of pricing and engagement models. Some of the pricing models seen in the industry include:

- Per-unit time / variable cost: Currently, the most common pricing model, wherein the client guarantees a minimum amount of business and is billed on a per-hour or per-seat basis;
- Per seat or full-time employee (FTE) per month: Minimum amount of business for a number of FTEs on a monthly basis, guaranteed by the client;

- Activity-based billing: Billed by the volume of activity (i.e. per call, per statement or per line transcribed);
- Gain-share models: Billing based on quantifiable value delivered (i.e., success rate and conversion ratio) based on mutually agreed parameters; and
- Hybrid pricing models: A combination of two or more models. Typically, they incorporate a fixed volume rate plus a marginally higher rate for peak load absorption.

Challenges faced by the industry

The IT-enabled services (ITeS) industry is plagued by a number of issues such as high attrition rates, shortage of competent managers at the middle and senior management levels, and lack of a robust infrastructure**.**

Business mix

Indian ITeS companies gained significant traction in services such as transaction processing, with more and more firms balancing voice and non-voice business portfolios to diversify revenues and improve seat utilisation (in call centres). Nevertheless, voice-based services continue to contribute a major portion of revenue for most Indian ITeS firms.

However, the costs associated with a voice-based business are relatively greater, given high attrition rates and wage hikes. Hence, firms are expected to gradually shift focus within the next few years to non-voice services such as human resources outsourcing, legal process outsourcing, and high-end analytics, as demand for these services increases. The industry also faces challenges in terms of skilled workforce shortage.

Attrition

The availability of trained manpower in the industry leads to a lot of movement both within and across companies, thereby driving up attrition rates. During the 2008 slowdown, attrition rates fell from 30-35% in 2007-08 to 28-33% in 2008-09. Despite some moderation in recent times, attrition still remains high. For 2016-17, attrition was as high as 34-38%.

Setting up a knowledge pool

Despite India having one of the largest pools of English-speaking graduates, the domestic ITeS industry's main challenge lies not in employment but employability. To ensure a consistent flow of trained manpower, the industry needs to work with the government to introduce courses that are in line with industry requirements at the school and college level.

Higher wages

With increasing competition, ITeS companies are unable to mitigate wage hike pressures by pricing their services higher. However, improving demand and growing operational efficiencies are expected to ease wage pressures for Indian ITeS companies.

Most ITeS vendors have been using the variable pay strategy for attracting and retaining talent. Investing in development and creating a clear growth path for such employees have become imperative, and organisations are continuously looking for innovative ways to retain and engage such a workforce.

Infrastructure

Lack of infrastructure has been another impediment to the industry's growth. While most metropolitan cities boast of robust infrastructure, rural and semi-urban areas need immediate attention. ITeS companies are now relocating offices to the outskirts of mega cities owing to acute land shortage. Thus, there is a desperate need for development of roads, highways, mass-transit systems, power, water, housing, airports, hotels, convention centres, etc., to facilitate rapid growth of the ITeS BPO industry.

Though metros are well connected by roadways and railways, the quality of mass urban transportation leaves much to be desired. The associated incremental costs that companies incur on transportation will diminish the cost advantage they gain through outsourcing. Except in IT parks, the quality of infrastructure in tier-II cities is also poor.

The government agency Software Technology Parks of India has tried to address the infrastructure issue by providing incubation office space, i.e. ready to plug-in offices, in nearly 51 locations across the country.

Meanwhile, Indian companies are looking to expand their footprints in tier-II and tier-III cities for cost competitiveness. Real estate costs in these areas are lower and compensation to employees also varies significantly vis-a-vis other major locations (lower by 13-16%). Therefore, by relocating to these areas, ITeS companies can reduce costs by 30-35%.

Quality Standards

The increasing commoditisation of services like customer care has made quality a differentiating factor for companies in the information technology enabled services (ITeS) industry, in order to access and retain clients. Accuracy, productivity and recoverability of service are highly critical business aspects for operations from a quality perspective. Some trends observed in the Indian ITeS industry in this regard are:

- Organisations certified with the ISO 9000 are migrating to ISO 9000:2000 standards;
- Organisations assessed on the capability maturity model (CMM) framework are aligning their quality management systems (QMS) with the new CMM integration framework;
- Organisations working on "end-to-end' quality are continuing to invest and upgrade their customer relationship management and enterprise resource planning initiatives; and
- Many leading Indian ITeS/business process outsourcing (BPO) companies have received recognised quality certifications such as the Customer Operation Performance Centre (COPC).

Information Security

Brass tacks of information security

Expansion in telecommunications and information technology (IT) infrastructure has resulted in a manifold rise in companies outsourcing services to offshore providers. In such a scenario, information security (IS) becomes vital.

Information security is a process by which organisations protect and secure systems, media and facilities that process and store vital information. IS, as defined by the International Information Systems Security Certification Consortium (ISC2), can be broadly divided into three components:

- Confidentiality*:* Prevention of intentional and/or unintentional unauthorised disclosure of information;
- *Integrity*: Prevention of modification by unauthorised personnel, unauthorised modification by authorised personnel, and data that is internally and externally inconsistent; and
- *Availability*: Reliable and timely access to data and computing resources for appropriate personnel.

Companies rely mainly on contractual agreements for compliance, wherein about one-fourth of the clauses relates to customer and client data protection. These include network, personnel, and physical security of the premises where the tasks are performed, and critical information is stored.

Network security refers to securing the infrastructure used for the storage and transmission of information. This is primarily done through:

- Hardware; such as intrusion detection systems (IDS), routers, etc.;
- Software; such as antivirus, etc.; and
- Policies for access control and authentication.

Personnel security refers to arrangements to address the potential threat from employees of offshore vendors. Security measures include:

- Background checks such as reference checks, police checks, etc.;
- Non-disclosure and confidentiality agreements;
- Internet access policies; and
- Training and awareness.

Physical security refers to securing the building, work areas, devices, and data in the form of documents. This is primarily done through:

- Access control mechanisms such as security guards, ID cards, swipe cards, etc.;
- Restricted movement of media (CDs, floppies and other storage devices) and papers;
- Camera surveillance; and
- Fire safety, etc.

Business continuity and disaster recovery refers to practices followed to retrieve information and provide continuous services in case of any emergency. Some of these practices include:

- Data back-ups at remote locations;
- Risk assessment and restoration processes;
- Fire, link and power drills; and
- Alternative site management.

Despite vendors spending 5-15% of their IT budgets on security systems, there have been concerns regarding data protection, confidentiality of information, and protection of intellectual property. In India, legislation and policies have gradually evolved safeguards and provided recourse in the event of security violations.

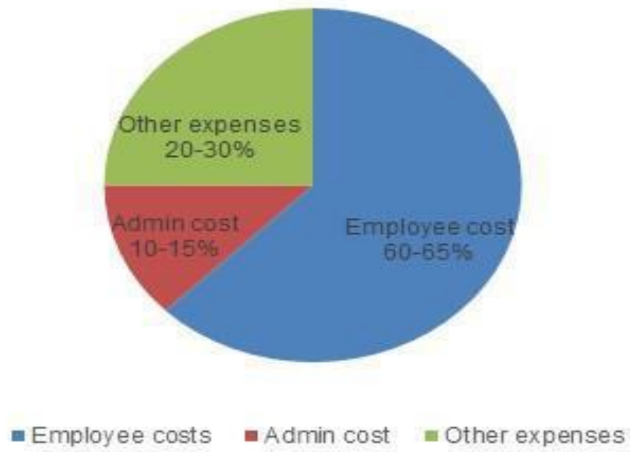
New Projects

Capacity additions to be limited in the future.

ITeS is a service intensive industry, capex costs are generally very low as a percentage of both revenues and costs. For the sector as a whole capex ranges between 2-5% of total revenues. In cost terms this translates to 3-7% of total costs. The major capex costs items are mainly two namely computer equipment and buildings/ office complexes. These two accounts for nearly 60% of an ITeS firms annual capital expenditure. Future capacity additions however look constrained on account of slow growth and increased drive for automation.

Break up of costs

Percentage break-up of costs



Note: Sample includes Firstsource, Eclerx and 28 SMEs (having revenues below ₹250 crores) which account for around 6-7% of the sectors revenues
Source: CRISIL Research

The main cost item for ITeS are employee costs, this is followed by administration costs. Other costs incurred by an ITeS firm include those on office spaces and computer machinery.

Attrition and utilisation

As ITeS firms derive their competence from a combination of technology and workforce, two key operational parameters for the sector are utilization and attrition rates.

Attrition: Attrition refers to reduction in workforce on account of labor leaving the organization. As the sector has mostly run on cost arbitrage and in some sectors like voice doesn't require highly qualified employees, attrition rates continue to be high. However, as the industry evolves to knowledge services which require more specialized labor a moderation in attrition rates has been seen across the sector. Similar trend is expected to continue in the near future.

Attrition trends for key players has stayed moderate.

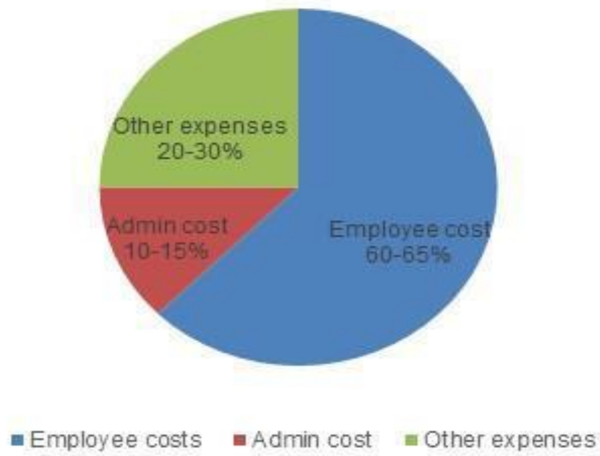
Utilization: Unlike the IT services wherein utilization is calculated by number of employees per seat available. Hence utilizations above 100% are not uncommon. However the industry utilization rate ranges between 70-80% and has shown a steady improvement in the past quarters. Better utilizations help companies produce better margins. In the past few years utilization rates have seen improvement due to automation of certain voice services with interactive voice response systems and increasing infiltration of chatbots.

Operating Costs

The major cost component for ITeS firms is employee cost, followed by administration costs and other expenses such as rent and cost of equipment like computers. Salaries for the segment vary as per location and seniority. Onsite employees form a much smaller portion of a company's employee base in case of ITeS compared to IT services.

As a major proportion is employee costs, majority of cost is fixed cost including besides employee costs, costs of premises and rent. Variable costs include fees paid to external consultants and other costs.

Percentage break-up of costs



Note: Sample includes Firstsource, Eclerx and 28 SMEs (having revenues below ₹250 crores) which account for around 6-7% of the sectors revenues
Source: CRISIL Research

Nature of costs

As the sector is primarily a service industry, it generally has less variable costs. Fixed costs for an ITeS players includes the likes of office premises rent, costs incurred for computer systems, office utilities and employee costs etc. Variable costs for ITeS firms includes travel expenses, communication expenses and fees to external consultants. While salaries for employees have a variable component, depending on their tasks, education background and complexity in their work, most part of employee salaries are fixed. Fixed expenses account for nearly 60% to 70% of all expenses with the remaining being variable expenses.

Employee costs

Employee costs is a large component in costs. Salaries for the segment vary as per job and profile. It ranges from little over ₹ 0.02 crore an annum for an entry level call center employee to over ₹0.05 crore in the same case for a knowledge services employee. Unlike IT services onsite presence is usually less. Costs per employee for the sector has risen sharply owing to increased transition to higher paying knowledge services from earlier mostly voice based businesses, CRISIL Research expects this growth in cost to temper as automation becomes more common place. Revenue per employee however is expected to get a boost on account of firms shifting more towards non voice and automated services.

Taxes

Post GST, the net effective tax rate on ITeS stands at 18%, however this would affect only domestic contracts which constitute a small portion of sectoral revenues at 20%. For exports companies which operate from Special Economic Zones (SEZ) tax exemptions are given for upto 100% for first five years of operations and 50% for the five years following the first five year of operations. As a consequence most companies operate out of SEZs. Under the older taxation policy the companies operating in the domestic market had a single point taxation system, which was the central service tax at 15%, however under the new destination based GST regime, the number of points is likely to go up. While this is a negative for the sector, the fact that this will affect only 20% of the sector, means the impact is likely to be more moderate for the sector as a whole.

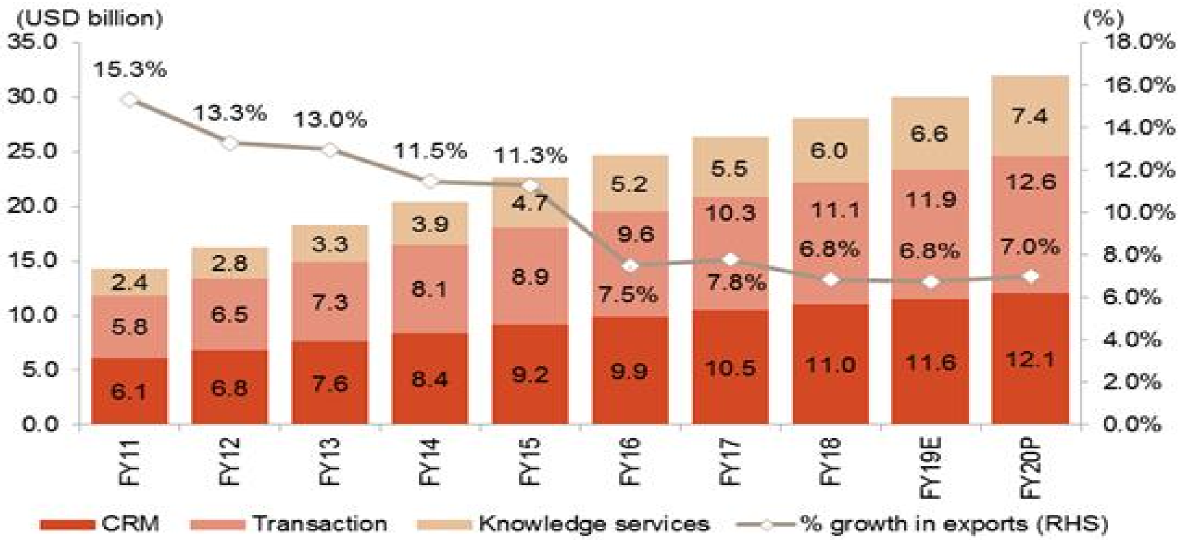
Exports

Knowledge services to drive growth in exports revenue through 2020

CRISIL Research expects IT-enabled services (ITeS) exports to register a subdued 6-7% growth (in constant currency US dollar terms) over the next five years. Export revenue for ITeS sector stood at USD 28.1 billion in Fiscal 2018. CRISIL Research expects this to increase to USD 30 billion by the end of Fiscal 2019 and reach USD ~39 billion by the end of Fiscal 2023 at a CAGR of 6.75%. Growth will be primarily driven by fast growing knowledge services led by increasing adoption of analytics and robotic process automation by clients. In the customer relationship management (CRM) space, growth is expected to slow down owing to competition in the voice space from the Philippines. Transactional services are also expected to slow down on account of commoditisation.

In the near term, some pressure is expected in the banking, financial services and insurance, (BFSI) space on account of policy uncertainty.

Knowledge services to be key growth driver for sector exports revenue

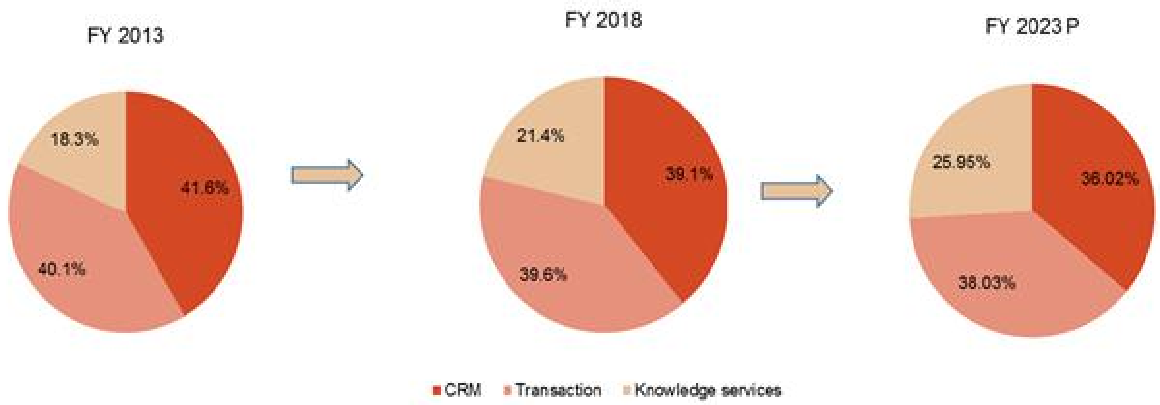


Note: E: Estimated P: Projected
Source: NASSCOM, CRISIL Research

Knowledge services is expected to see above industry level growth rates, with CRISIL Research estimating exports in the sector to register 9-12% CAGR over the next five years, gaining share in export revenue at the expense of CRM and transaction services segment, as witnessed over the past five years. CRM is expected to grow at a slower CAGR of 4-6% and transaction services is expected to register near industry level growth rates with CRISIL Research estimating growth rates of 5-7% over the next five years.

Knowledge services is likely to be the fastest growing sector, driven by high-value services like big data analytics and AI-based automation. It is also expected to increase its share in ITeS export revenue to ~26% by Fiscal 2023 from ~21% share in Fiscal 2018, whereas the share of CRM is expected to shrink to ~36% in Fiscal 2023 from ~40% share in Fiscal 2018.

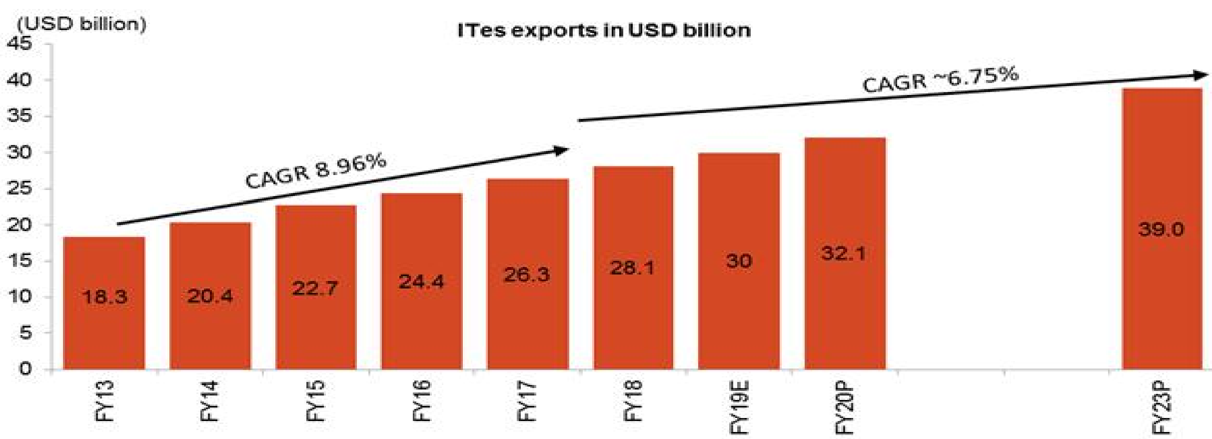
Knowledge services have gained share in export revenue over past few Fiscals



P: Projected
Source: CRISIL Research

Export revenue growth, which clocked ~9% CAGR over the previous five years, is expected to slow down going forward to ~7% CAGR due to pricing pressure on traditional services like CRM and transaction services, which accounted for ~78% of the total revenue as of Fiscal 2018. Nevertheless, growth is expected to be in the range of 10-13% in the knowledge services segment, which would provide some support in both revenue and margin front for the sector. So, overall, CRISIL Research expects the ITeS sector to grow at 6-8% CAGR till Fiscal 2023.

Exports revenues to clock a subdued growth over next five Fiscals



E: Estimated; P: Projected
Source: NASSCOM, CRISIL Research

Growth drivers and inhibitors in ITeS exports

Growth drivers	Inhibitors
1. Moving up the value chain by providing analytics services and augmenting transaction business with automation and AI	1. Competition from Philippines and near shore destinations in the voice space
2. Integration of IT and BPO services to create higher value	2. Political uncertainties like anti-outsourcing sentiments in USA and Brexit uncertainty can result in lower spending by clients
3. Long standing relationship with clients and understanding of their business needs	3. Talent issues in the growing knowledge services space

Source: CRISIL Research

Pricing pressure to have bottomed out for players

Exports have traditionally been dominated by CRM services, wherein the Philippines has an edge over India due to better English proficiency and similar costs per employee in the CRM space. India however enjoys an edge over other countries in non-voice CRM and knowledge services owing to its large talent pool. India is becoming a preferred destination for non-voice processes, transactions and high-end services, such as analytics due to availability of both quantity and quality of skills compared with countries like the Philippines. With wider adoption of automation and robotics, going forward, CRISIL Research expects India to maintain the edge in knowledge services space. CRISIL Research also expect prices to bottom out for traditional segments like CRM and transactions remain range bound going forward.

Profitability

Operating margin to rise marginally in Fiscal 2019

CRISIL Research estimates that operating margin of information technology enabled services (ITeS) players will increase 30-60 bps in Fiscal 2019, mainly due to:

- Rupee depreciation against major currencies such as the dollar, pound and euro;
- An increase in the deployment of automation in CRM and transaction segments, resulting in savings in employee costs, thereby reducing the pressure on margins. The need for lesser headcount addition due to focus on high-value add offerings and lower wage hike across the sector;
- Constant wage hikes, which are expected in the range of 8-10%;
- Pressure on billing rates, which are expected to be flattened out in the traditional segments, resulting in fairly stable margins in those segments;
- Investments by players in the development of newer technologies, such as RPA and AI, which are likely to put some pressure on margins; and
- External uncertainty and political developments in key markets, which are expected to continue in the near future.

ITeS players are expected to get a boost from an expected depreciation of ~250 bps in the rupee against the dollar in the current Fiscal year, coupled with some incremental boost in productivity, by adopting automated platforms. Margins are expected to ease, as CRISIL believes that prices have bottomed out in the traditional space.

Impact of various parameters on operating margins

	FY15	FY16	FY17	FY18	FY19E
Rupee depreciation (y-o-y)	1.3%	7.0%	2.5%	-3.8%	2.0%
Seat utilization (y-o-y)	↓	↑	↑	←→	←→
Wage hike	~9 %	8 - 10%	8 - 10%	8 - 10%	8 - 10%
Billing rates (y-o-y)	←→	↓	↓	↓	←→
Impact on margins in bps (y-o-y)	-126.35	20.68	25.84	-129.88	30 to 60

Note: Companies include Genpact, EXL, WNS, eClerx, Firstsource and Hinduja Global Solutions Currency depreciation has been taken on weighted average basis, utilising average annual exchange rates for the US dollar, euro, and British pound
E: Estimated
Source: Company reports, CRISIL Research

Operating margins of CRISIL Research's sample set of ITeS players decreased around 130 bps in Fiscal 2018, primarily due to stronger rupee where rupee appreciated by ~161 bps y-o-y and lesser investments made by the clients due to uncertain political environment created due to Trumps anti-outsourcing stance coupled with Brexit negotiations. However, CRISIL Research expects margins to gain by 30-60 bps in Fiscal 2019 on account of expectation of ~250 bps depreciation of rupee against the dollar and in general weakness against other major trading currencies like pound and euro and expectation of pickup in BFSI segment in the future.

Analysis of parameters impacting operating margins

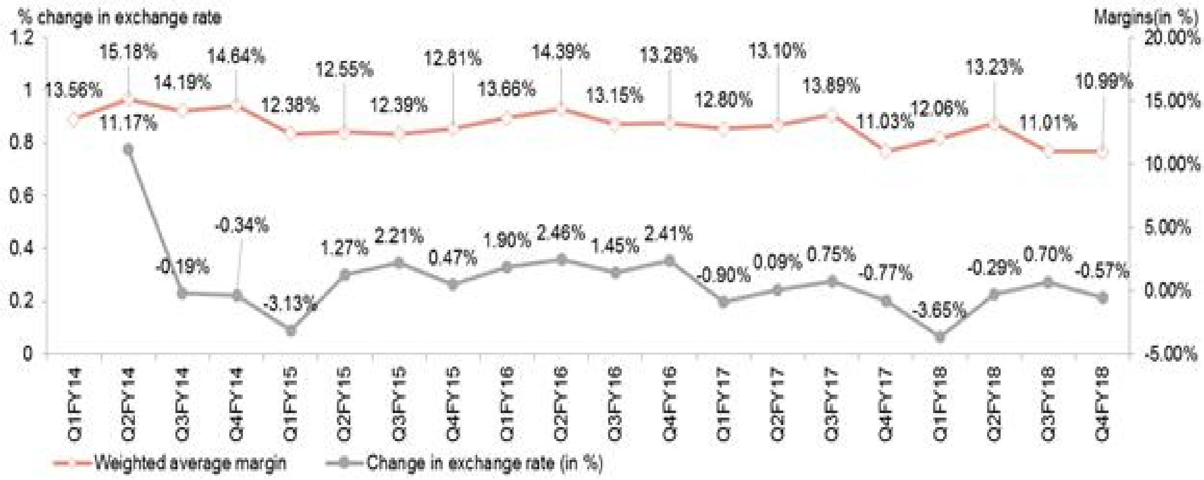
Fluctuations in the rupee exchange rate versus foreign currencies

A falling rupee has a positive impact on margins, as a significant portion of earnings of Indian IT vendors is in foreign currencies, while most of their costs are incurred in rupee terms (with the exception of travel expenses, on-site employee, other costs, and foreign currency liabilities).

As the US is a key market for all players, accounting for 62% of all export revenue, the rupee-dollar exchange rate is a critical monitorable. CRISIL Research's estimate for the average exchange rate between the rupee and US dollar has been revised to ~65.7 in Fiscal 2019; this is a depreciation of nearly 2% on-year, compared with 64.46 in Fiscal 2018. With the expectation of more US Federal Reserve rate hikes, due to a stronger recovery in the US market, the rupee is expected to depreciate versus the dollar in the near future.

Also, the Eurozone is expected to unwind its massive stimulus program, as growth picks up in the Eurozone. The direction of movement in British pound would largely be influenced by the outcome of the Brexit negotiations, which are expected to be closed in the end of current Fiscal year.

Hence, majorly depreciation of rupee versus the dollar to aid margins

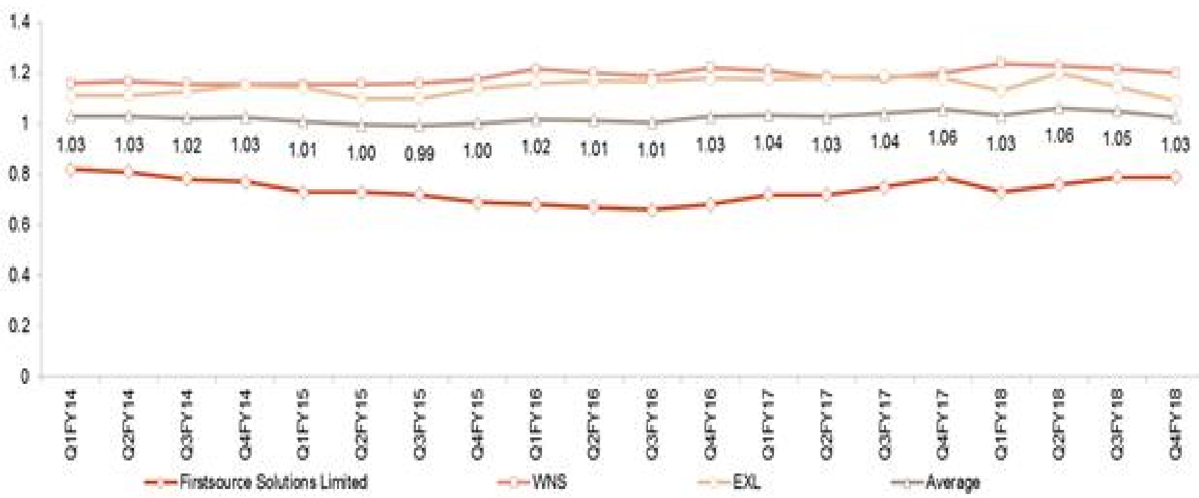


Note: Companies include Genpact, Firstsource, WNS, EXL and eClerx.
Source: Company reports, CRISIL Research

Utilisation of seats to remain stable

Indian ITeS players have witnessed stable seat-utilisation rates over the past four-five quarters, despite slower growth in employee addition. This is primarily due to better human resource planning and productivity improvements, with the introduction of increased automation and platform-based solutions. CRISIL Research expects this scenario to continue with average-seat utilisation seeing a marginal rise at best.

Key players to witness stagnation in seat utilisation



Note : Utilizations greater than 1 denote more employees than workstations available at firms
Source: CRISIL Research, Company reports

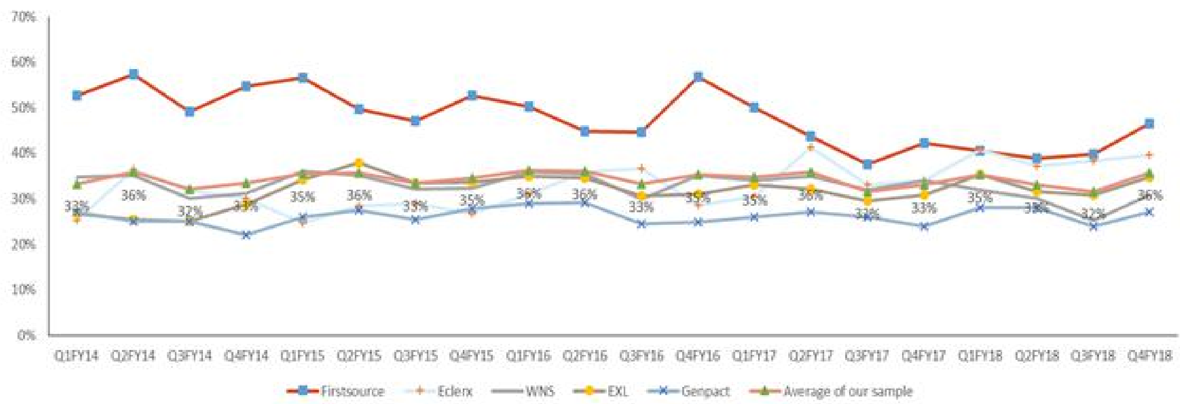
Billing rates expected to remain stable

In the past few quarters, CRISIL Research has seen that billing rates have remained under pressure in the traditional segments, such as CRM and transaction services. Billing rates are showing signs of bottoming out and are expected to remain fairly stable going forward. Also, due to the increase in customised offerings by the players in terms of value-add services, such as analytics and AI, is also easing the pressure on billing rates.

Wage hikes to average around 8-10% and attrition rates to remain stable at ~34%

An average wage hike of 8-10% in Fiscals 2019 and 2020 is likely to impact the operating margin for the initial quarter, which is seasonal in this sector. Attrition rates have stayed relatively stable on a yearly basis, averaging around 34% for the past few years. The up-skilling of employees is expected to continue due to the shift towards automation.

Moderation in attrition rates



Source: CRISIL Research, Company reports

Net margins may not be in line with operating margins

Net margins will depend on operating margins and hedging gains or losses. Since the latter depends on the hedging proportion, the price at which contracts were struck, and the current market price, these factors will also have a significant bearing on net margins. CRISIL Research believes net margins across companies will vary, primarily determined by their hedging positions.

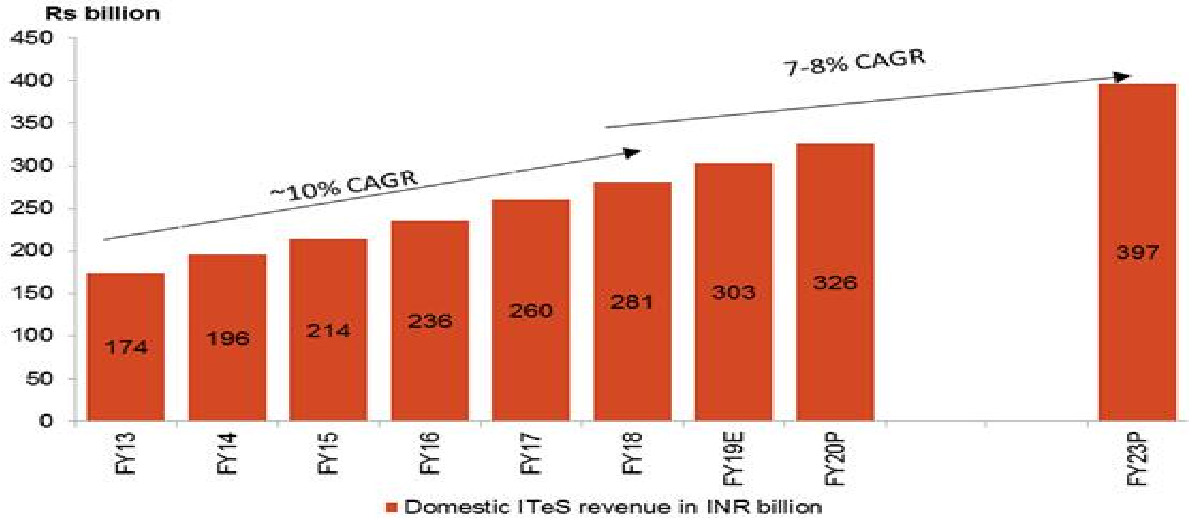
External uncertainties remain a key monitorable

The fate of the Brexit negotiations with a weakened British government is a key monitorable for the segment. With the increasing importance of knowledge-based services, it is expected that demand for H1-B visas are expected to increase due to rising onshoring. However, as demand for H1-B visas is lesser than IT services, the impact of restrictions, which can be imposed by the Trump administration, would be limited in this sector. A more important Trump policy would be with respect to the financial sector deregulation and the planned scrapping of the Dodd Frank Act; this remains a key monitorable, as BFSI firms constitute a major chunk of revenue. Also, policies of US President Trump with respect to outsourcing, immigration and banking sector deregulation remain key monitorables.

Review and outlook

CRISIL Research projects the domestic revenue of information technology-enabled services (ITeS) companies to clock 7-8% compound annual growth rate (CAGR) over the next five years. Revenue is projected to grow 8% from ₹28,100 crore in Fiscal 2018 to ₹30,000 crore in Fiscal 2019, and to touch ~₹ 40,000 billion in Fiscal 2023. Sectoral volumes are expected to be driven by the banking, financial services and insurance (BFSI) and government segments. While cost pressures are expected to lead to a decline in telecom sector growth, emerging segments like travel are expected to provide the ITeS sector with other domestic growth avenues**.**

ITeS revenue growth to slow down owing to pressure in telecom

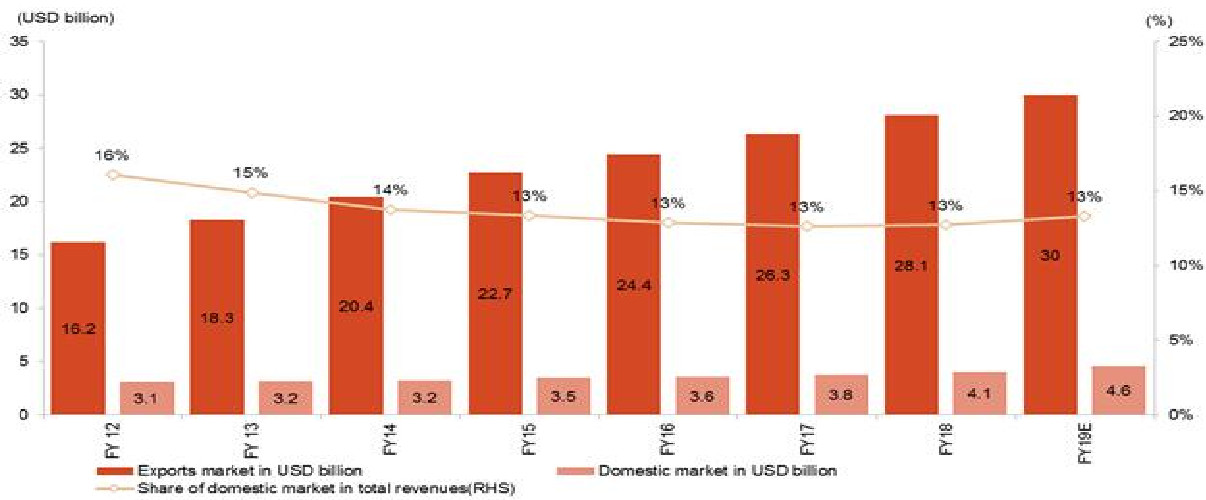


Note : E: Estimated, P : Projected
Source: CRISIL Research

Domestic ITeS to continue taking a backseat to exports

With the capital expenditure requirements for setting up of BPO units being low compared with most other sectors, the domestic market has many small players competing for contracts. This has led to intense competition and pressure on billing rates and thus, profitability of players. The lower share of high-value offerings such as knowledge services in the domestic market, compared with the exports market, is another factor contributing to lower domestic margins. With lower billing rates, employee costs as a percentage of sales are also higher for domestic players.

Exports preferred to domestic markets



Note : P : Projected
Source: NASSCOM, CRISIL Research

BFSI and telecom comprise ~70% of total domestic ITeS revenue, CRM the dominant service vertical

The BFSI and telecom sectors accounted for ~70% of the ITeS sectors domestic revenue in Fiscal 2018, a share that CRISIL Research estimates will stay stable into Fiscal 2019. Growth from telecom sector is expected to decline, owing to sectoral cost control measures following the erosion in revenue and margins post the aggressive entry of Reliance Jio, as well as ongoing consolidation. BFSI and other segments are expected to provide growth opportunities for the sector.

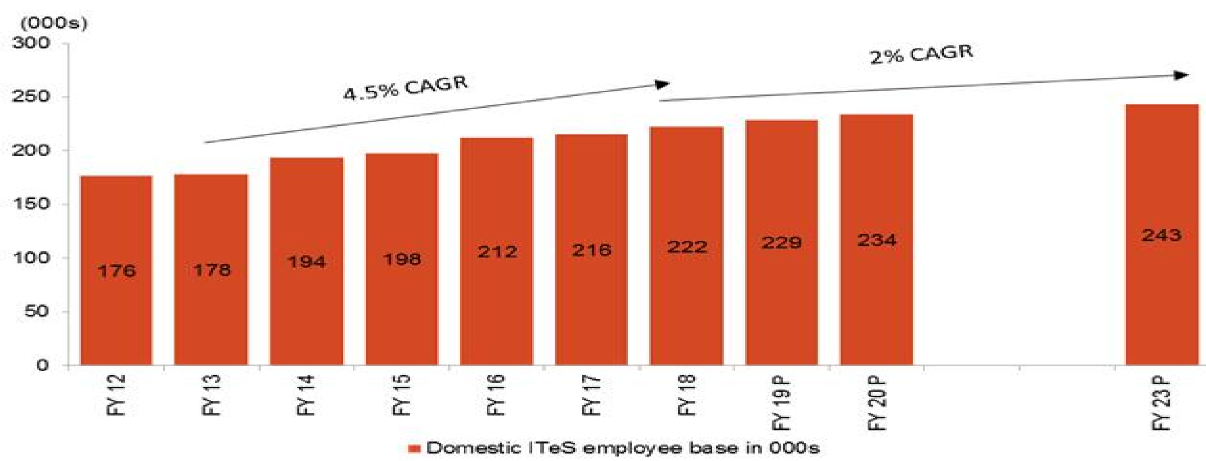
The domestic market has been dominated by customer relationship management (CRM) services, which accounted for 81% of domestic ITeS revenue in Fiscal 2018. Knowledge services, however, has been the fastest growing vertical with its domestic revenue share improving from 6% in Fiscal 2013 to 8% in Fiscal 2018, propelled by analytics. In the near future, too, CRISIL Research does not expect shares to change significantly as sufficient volumes are available across sectors like BFSI, travel, government and retail for CRM to retain its share.

Domestic employee net addition to be about 22,000 through Fiscal 2023, nearly half of previous five years

With the passage of time, ITeS vendors have shifted their service offerings from direct human interface to web-based portals and self-care service. Vendors are encouraging customers to use online chatting applications which are increasingly seeing the adoption of artificial intelligence (AI)-based automation to resolve issues. Additionally, social media is used to understand and address customer needs. Although these avenues will minimise human interactions and boost revenue, this is expected to be offset by the rise in demand for differentiated services and outsourcing from newer segments

Consequently, CRISIL Research estimates the ITeS industry's employee base to expand at a tepid ~2% CAGR to nearly 0.02 crore between Fiscals 2019 and 2023. This would mean an addition of about 22,000 employees in the next five years, compared with ~45,000 added in the previous five years.

Tepid growth in domestic ITeS industry employee base

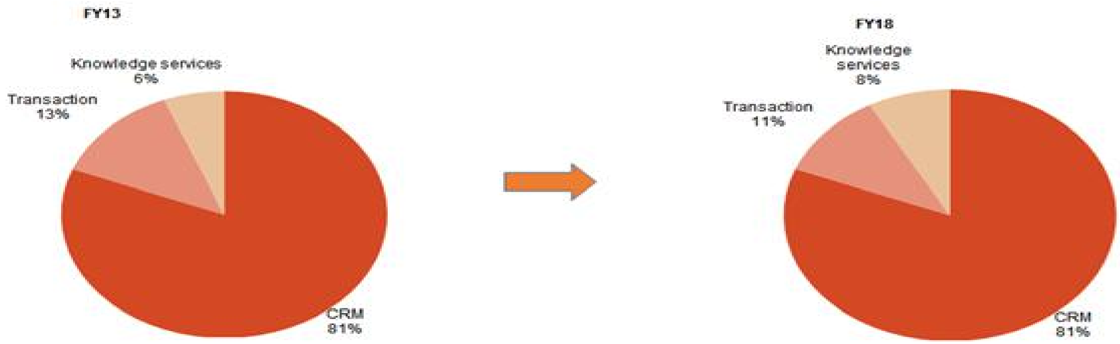


Note : E: Estimated, P : Projected
Source: NASSCOM, CRISIL Research

CRM to retain its dominant share in the domestic market

Customer relationship management (CRM) has traditionally accounted for a lion's share in sectoral revenue by service line. In Fiscal 2018, CRM comprised 81% of sector revenue, with knowledge services accounting for 8% and transaction services comprising the remainder share. CRISIL Research does not expect the share break-up to change significantly in Fiscal 2019.

CRM has held onto its share in domestic ITeS market despite expansion of knowledge services

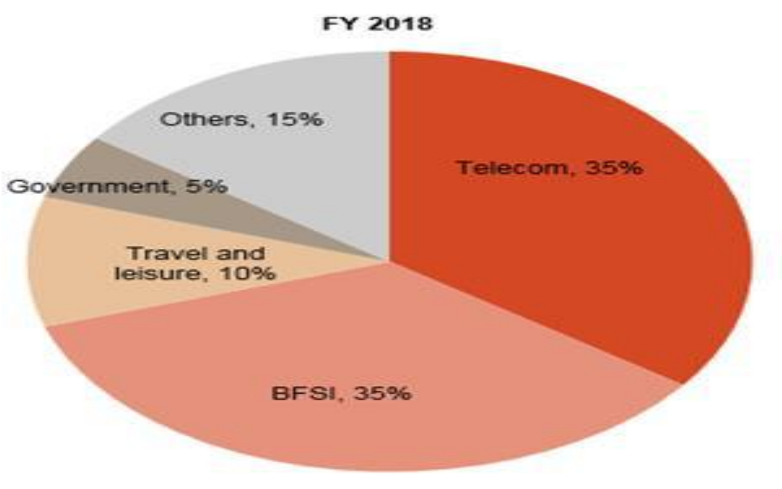


Source: National Association of Software and Services Companies (NASSCOM), CRISIL Research

Telecom, BFSI account for majority of market share domestically, government and travel to grow fastest among verticals

Telecom and banking, financial services and insurance (BFSI) together constituted 70% of the domestic information technology enabled services (ITeS) sectors domestic revenue in Fiscal 2018. While this trend is expected to remain in Fiscal 2019, CRISIL Research expects the share of telecom to reduce slightly owing to slower growth arising from ongoing consolidation which is expected to reduce IT budgets.

BFSI and telecom held maximum share in revenue in Fiscal 2018



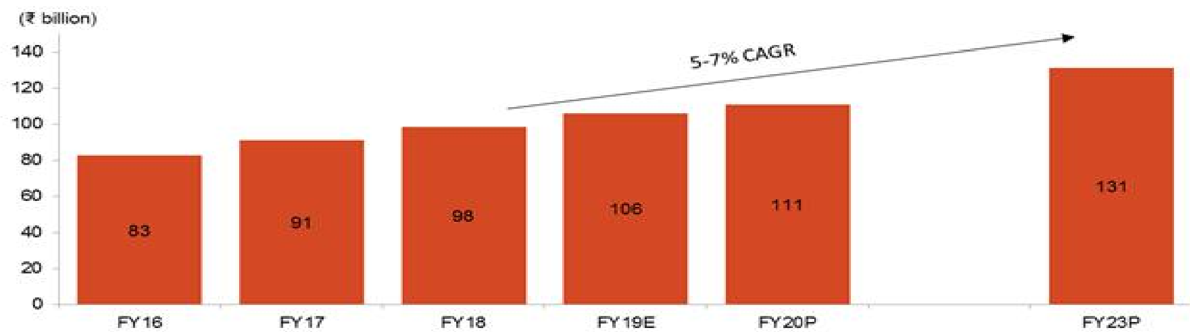
Source: CRISIL Research

Cost pressures, consolidation to hit telecom volumes

Telecom sector contributed 35% share to domestic ITeS revenue in Fiscal 2018, it is expected to contribute nearly the same amount in Fiscal 2019, however going forward CRISIL Research sees sectoral revenues declining. The sector's customer interaction service have largely accounted for a significant chunk of domestic ITeS revenues are seeing adoption of newer less resource intensive technologies like chat bots and self-service apps, in addition to the already prevalent usage of interactive voice response systems.

While number of telecom subscribers have increased from 117 crore in Fiscal 2017 to 118.50 crore in Fiscal 2018 , Reliance Jio's aggressive entry and subsequent pricing competition in the sector has reduced revenue growth and eroded profitability. Additionally, there is a wave of consolidation being witnessed in the sector. Given cost pressures for the sector are not expected to abate in near future, CRISIL Research expects volumes coming from telecom to be hit going forward and thus revenues growing at a slower than industry pace going forward at 5-7% CAGR over the next five years.

Domestic ITeS telecom revenue to see lower than industry average growth



Note : E: Estimated, P : Projected
Source : NASSCOM, CRISIL Research

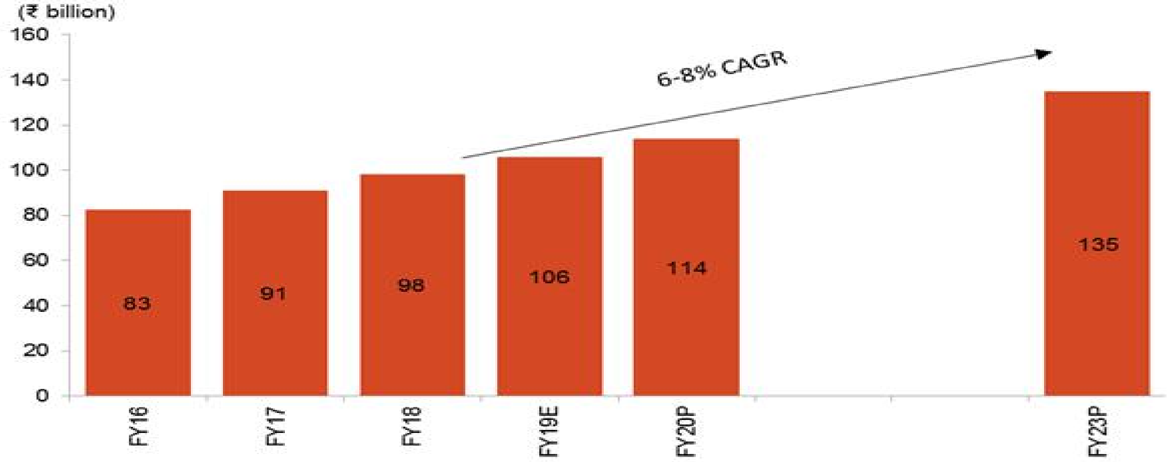
Financial inclusion, increasing share of digital transactions to provide opportunities from BFSI segment

Financial inclusion, growth of payment banks and a government push towards a more cashless economy is expected to provide opportunities in the domestic ITeS market. A key driver of volumes especially in the BPO services space is the need to service banking customers. Key to this is financial inclusion, which has been a key priority of the Central Government. A key scheme within the financial inclusion space in the Prime Minister Jan Dhan Yojana. The main objective of which is ensuring access to various financial services like availability of basic savings bank account, access to need based credit, etc for Indian citizens.

The scheme has since its inception in August 2014 has led to the opening of nearly 32 crore bank accounts as of June 27, 2018. However, as of end of Fiscal 2018 nearly 19 crore Indian adults still remain outside the banking net. For already existing customers, banks like their telecom counterparts have been focusing on developing self-service platforms and chatbots to further enhance customer interaction and outreach. Also, increase in digital transactions are expected to provide opportunities in areas of financial analytics for players

A combination of above factors is expected to lead to 6-8% growth in revenues from BFSI segment going forward in the next five years. Domestic ITeS.

BFSI revenue trends



Note : E: Estimated, P : Projected
Source : NASSCOM, CRISIL Research

Digital India to drive government spending on ITeS

The Indian government under its Digital India programme has sought to increase employment in the IT sector. Two schemes under this are the India BPO Promotion Scheme and the North East BPO Promotion Scheme. The India BPO Promotion Scheme (IBPS) has been approved under Digital India to incentivise ITES operations across the country.

IBPS aims to set up 48,300 seats distributed among each state in proportion of the state's population, with financial support up to ₹100,000 per seat in the form of viability gap funding; has an outlay of ₹ 493 crore up to end Fiscal 2019. As of end June 2018, nearly 38,555 seats were allocated under the scheme. However, the progress has not been uniform at the state level. While some states have exceeded their target, many others lag behind.

A total of over 24,000 seats still remaining for allocation, which is a sizeable opportunity. The other key scheme, North East BPO Promotion Scheme, seeks to incentivise setting up of 5,000 seats in north-east India. The scheme has an outlay of ₹ 50 crore up to end of Fiscal 2019, with support per seat fixed at ₹100,000. Under the scheme, a total of 2,060 seats have been set up, with majority of these in Assam.

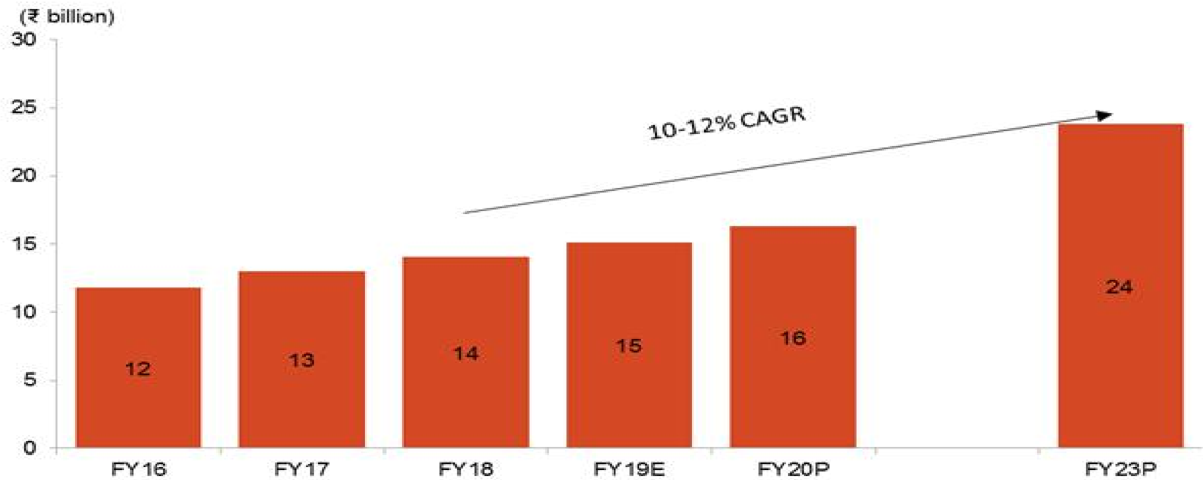
Progress under North East BPO Promotion Scheme

State	Number of seats allocated
Arunachal Pradesh	50
Assam	1110
Manipur	250
Meghalaya	200
Nagaland	450

Source : Ministry of Electronics and Information Technology, Digital India websites

Along with non-uniform growth, issues of timelines of stretched receivables remain key risks for revenue from the government segment. Despite these challenges the segment is expected to provide considerable volume in the domestic market and is expected to register a fast 10-12% CAGR over the next five years.

Revenue trend in government vertical

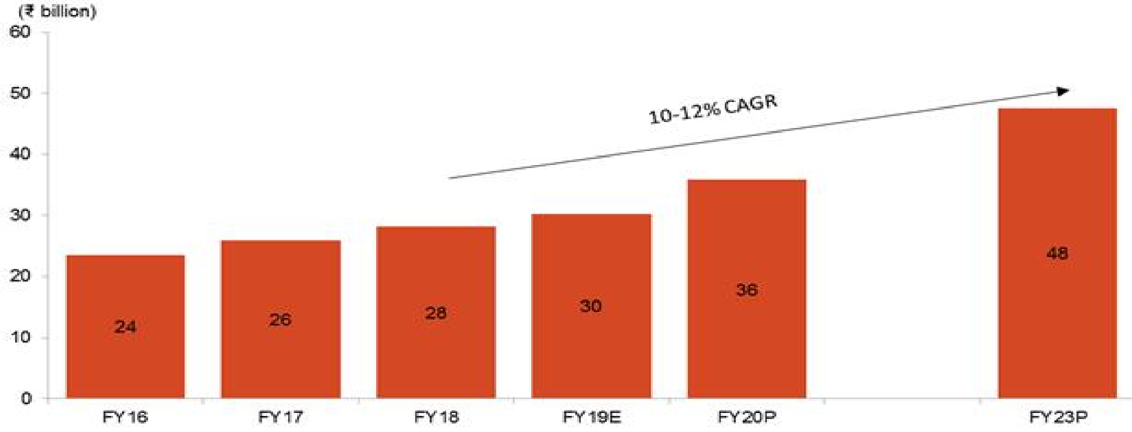


Note : E: Estimated, P : Projected
Source: NASSCOM, CRISIL Research

Demand from travel and leisure segment to grow rapidly

Rising disposable income along with increase in booking via web portals and mobile apps is expected to aid the growth of revenue from the travel and leisure segment. Booking of tickets online has become very popular, as can gauged from the fact that the average number of tickets booked on Indian Railway Catering and Tourism Corporation's web portal has increased from ~540,000 tickets a day in Fiscal 2013 to ~800,000 tickets a day in Fiscal 2017, a CAGR of ~10%. Domestic air travel too has seen a surge in passenger traffic, with the number of passengers growing from 5.8 crore in Fiscal 2012 to ~10.4 crore in Fiscal 2017. The forecast for the future is strong as well. Such growth in passenger volumes is expected to translate into healthy growth in revenue from the travel vertical, going forward. CRISIL Research forecasts revenue from travel vertical to clock a fast 10-12% CAGR over the next five years.

Revenue trends in the travel segment



Note : E: Estimated, P : Projected
Source: NASSCOM, CRISIL Research

Results review (April - June 2018) Key financial indicators

	Q1 FY19	Q1 FY18	Q4 FY18	Y-o-Y change	Q-o-Q change	Apr-Mar FY18	Apr-Mar FY17	% change (y-o-y)
Net sales (Rs. bn)	27.9	25.2	26.5	11%	5%	103.6	101.3	2%
EBITDA (Rs. bn)	3.5	3.7	3.9	-4%	-8%	15.2	16.1	-6%
Net profit (Rs. bn)	2.4	2.4	2.5	0%	-5%	10.2	10.4	-2%
EBITDA margin (%)	12.7	14.6	14.6	-188	-187	14.6	15.9	-127
Net profit margin (%)	8.6	9.5	9.5	-92	-90	9.8	10.3	-44

Notes: (i) Aggregates include results of 6 companies, which account for over 5% of industry revenues.

(ii) EBITDA and net profit margin (shaded) reflects change in bps.

Source: CRISIL Research

Peer comparison

Consolidated results	Revenue growth Q1 FY19 (y-o-y)	EBITDA growth Q1 FY19 (y-o-y)	PAT growth Q1 FY19 (y-o-y)	EBITDA margin change in bps (y-o-y)	PAT margin change in bps (y-o-y)
Accelya Kale Solutions Limited - (Consolidated)	7%	3%	7%	-131	2
Allsec Technologies Ltd - (Consolidated)	-25%	-38%	-46%	-319	-503
Datamatics Global Services Ltd - (Consolidated)	25%	66%	34%	301	58
eClerx Services Ltd - (Consolidated)	6%	-22%	-24%	-783	-672
Firstsource Solutions Ltd - (Consolidated)	5%	27%	35%	248	219
Hinduja Global Solutions Limited- (Consolidated)	19%	-26%	-9%	-407	-112

Source: CRISIL Research

OUR BUSINESS

The following summary is qualified in its entirety and should be read in conjunction with more detailed information of our financial statements appearing elsewhere in this Information Memorandum along with the risks discussed under the section titled "Risk Factors". In this section "our Company" refers to our Company on a standalone basis, "we", "us" and "our" refers to 'our Company on a consolidated basis.

Overview

Our company was incorporated on February 7, 2017 as a wholly owned subsidiary of CESC Limited ('**CESC'**), a flagship company of the RP-Sanjiv Goenka Group ('**the Group'**), engaged in the business of generation and distribution of electricity across 567 square kilometres of its licensed area in Kolkata and Howrah in West Bengal, India. Our Company was incorporated with the objective of engaging, *inter alia*, in the business of owning, operating, investing and promoting business in the fields of information technology, business process outsourcing and such other ventures (including fast moving consumer goods business) as may be identified by our Board.

Given the diversified business portfolio of CESC and its subsidiaries, holding interests in various sectors including renewable energy (including wind, solar and hydro power stations/projects) business process outsourcing, real estate, entertainment and distribution franchisee businesses, CESC considered it imperative to reorient and reorganize itself to enable a greater focus on each relevant business area. Accordingly, the Scheme was filed with filed with the NCLT. The NCLT approved. approved the Scheme on March 28, 2018 subject to certain terms and conditions. Pursuant to the Scheme, the IT Undertaking has been transferred to our Company and our Company has allotted Equity Shares to shareholders of CESC Limited on the record date specified in the Scheme in the ratio of 10:2. For further details of the Scheme, see "*Scheme of Arrangement*" at page 102.

Pursuant to the Scheme, our core business shall be information technology and information technology related services. Our Company shall, on an arm's length basis, provide all information technology related routine and expert services to the members of the Group. With an initial focus on servicing the needs of CESC and its subsidiaries our Company plans to gradually expand the scope of its operations and provide such services outside the Group as well. The major operations of our Company will be under the categories of product development, operations and maintenance of existing applications, operation and maintenance of infrastructure and assets relating to information technology including all software and hardware elements, undertaking major IT projects from conceptualization to implementation, furnishing reports and records as required, conforming performance parameters and ensuring business process efficiency.

Further, pursuant to the transfer of the IT Undertaking into our Company and the amalgamation of Spen Liq Private Limited into our Company, certain investments have vested in our Company. In addition, our company proposes to make its own investments including in venture capital funds.

Further, pursuant to the transfer of the IT Undertaking into our Company and the amalgamation of Spen Liq Private Limited into our Company, certain investments have vested in our Company. Firstsource Solutions Limited ("**FSL**"), a company listed on BSE and NSE and engaged in the business of business process outsourcing, has become a subsidiary in our Company pursuant to the Scheme. FSL is among the leading business process outsourcing companies in India with delivery centres across India, the United States of America, the United Kingdom and Philippines. FSL operates an information technology and BPM business in the areas of customer management, transaction processing and collection service to Fortune 500 and FTSE 100 companies in the US and UK that operate in the telecom and media ("**T&M**") and banking, financial services and insurance industries ("**BFSI**"). FSL's consolidated gross revenues for the six months ended September 30, 2018, and the year ended March 31, 2018, was ₹1,876.02 crore and ₹3,540.68 crore and its profit after income tax on a consolidated basis for the six months ended September 30, 2018, and the year ended March 31, 2018, was ₹181.41 crore and ₹326.58 crore respectively.

The additional companies which pursuant to the Scheme, are direct subsidiaries of our Company are: (a) Quest Properties India Limited ("**Quest**"), which is engaged *inter alia* in the business of property development, operation of mall and other real estate properties and owns and operates the "Quest Mall" in Kolkata (which *inter alia* houses shops, retail outlets, an entertainment zone, a multiplex, food court and fine dining. Quest is also in the business of making various investments including in venture capital funds; (b) Bowlopedia Restaurants India Limited ("**Bowlopedia**"), which operates eleven restaurants in Kolkata, New Delhi and the National Capital Region under the brand names "Waffle Wallah" and "The Chef's Bowl" ; and (c) Guiltfree Industries Limited ("**GIL**"), which is engaged in the business of fast moving consumer goods under the brand name "Too Yumm!". Additionally, GIL has acquired a stake of 70% of the equity share capital of Apricot Food Private Limited, another company engaged in the manufacturing of food products. For further details of our subsidiaries, see "*History and Certain Corporate Matters-Our Subsidiaries*" at page 86 of this Information Memorandum.

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For Fiscal 2018 and the six months ended September 30, 2018, the total revenue of our Company on a standalone basis was ₹2,733.14 lakhs and ₹8,906.43 lakhs respectively. Further, for Fiscal 2018 and the six months ended September 30, 2018, the total revenue of our Company on consolidated basis was ₹2,005.55 crore and ₹2,169.72 crore respectively.

For Fiscal 2018 and the six months ended September 30, 2018, the profit after tax of our Company was ₹230.36 lakhs and ₹6,011.13 lakhs respectively on a standalone basis. Further, for Fiscal 2018 and the six months ended September 30, 2018, the profit after tax of our Company was ₹163.70 crore and ₹127.20 crore respectively on a consolidated basis.

Strengths

Our Company

Experienced IT team with diverse competencies

Pursuant to the Scheme, 71 IT personnel of CESC are to be transferred to our Company. Such personnel were earlier part of the in-house team of CESC. The IT personnel have diverse competencies in providing different information technology services. For instance, our personnel have competencies in hardware/networks (including building network technology, end-point security and gateway security tools), infrastructure/software development (including information technology infrastructure development, system designs, backup administration using various software tools and programming languages) and other software development skills.

As on the date of this Information Memorandum, information technology resources being transferred from CESC to our Company include over 300 homegrown applications, catering to the different requirements of CESC including billing, customer relationship management and treasury operations. Some of such applications, including our homegrown billing software have been used by CESC for an extended period and accordingly have been monitored and updated and have retained their utility.

Strong parentage/brand

Our Company is part of the RP-SG Group. With our Company's initial plans to largely cater to internal clients and our need to continue to adapt to emerging technologies, the personnel of CESC are best placed in our belief to meet these requirements.

We aim to leverage our association with the RP-SG Group to attract and grow our customer base. We believe that while we would provide services which are not otherwise provided by the other members of the RP-Goenka Group, we may benefit from the reputation of the Group. In the immediate future, we plan on catering to internal clients alone. We believe that the large-scale requirements of CESC and its subsidiaries for information technology related services would provide us with a good base of customers with steady inflow of business, while our Company is in the process of expanding its operations.

Domain knowledge coupled with experience

Each industry requires industry specific information technology services, catering specifically to the processes involved in such industry. The IT personnel of CESC being transferred to our Company, are experienced in providing information technology services to CESC and its subsidiaries. Hence, such personnel have experience in providing information technology services to the power generation and distribution industries. We believe that such combination of experience and technical abilities makes such personnel uniquely and well placed to provide specialised services to power generating and distribution companies. We aim to exploit such specialised domain knowledge, to expand our operations in the future to external clients.

Diversified investment portfolio

Firstsource Solutions Limited, one of the leading business process outsourcing companies in India (*source: CRISIL*), is a Subsidiary of our Company. Further, through our Company's investments in Quest, Bowlopedia and GIL, we have a diversified business portfolio, with Subsidiaries in the hospitality and fast-moving consumer goods industries and Quest which has built and maintained the luxury mall, Quest Mall, in Kolkata. We believe that such diversified investment portfolio should be beneficial in hedging the risks inherent to any of the industries.

FSL

Global BPM player with access to multiple service offerings and business operations through our Subsidiaries

FSL is among the largest pure play BPM providers, in terms of revenue, in India. FSL is among the leading business process outsourcing companies in India (*Source: CRISIL*). FSL has a strong portfolio of clients across the T&M, BFSI and healthcare industries. The Company believes that FSL's market leadership has positioned it to continue to capture future growth opportunities across the T&M, BFSI and healthcare industries within the BPM industry.

Strategic positioning in target industry sectors and strong customer relationships

FSL has historically targeted the BFSI, T&M and healthcare industries through a combination of organic growth and focused acquisitions. The Company believes that with over 17 years of operations and track record as a BPM company, FSL is strategically positioned to benefit from the attractive growth opportunities in these industries. FSL has long established relationships with several large global companies including 30 Fortune Global 500 and FTSE 100 companies. Many of these relationships have strengthened over time, as FSL has obtained repeat work from these clients and gained a greater share of their BPM expenditure.

Diversified delivery model

FSL has established a broad-base global delivery model with a total seat capacity of 16,679 as of March 31, 2018 spread across India, the United States, the U.K., and the Philippines. FSL has a delivery infrastructure that is scalable and enables FSL to accommodate volume increases, add new processes, rapidly scale existing processes and meet the demands of new customers. FSL's delivery footprint offers it a number of important business advantages, including an enhanced ability to service clients that demand a multi shore capability, physical proximity to many important clients and an enhanced business continuity capability.

Established platform in the growing US healthcare market

FSL's clients include more than 650 hospitals in the United States and numerous US health insurers, including 3 of the Top 5 insurers in the US. FSL's presence across both the segments of this market gives the Company a strong differentiating edge. FSL helps their clients in this market to improve their processes and meet the needs of the increasing number of patients, while improving the customer experience. Digital application in the provider segment is expected to scale rapidly in the short term. Transformation solutions around digital app-based customer experience and applications around analytics is driving growth in the healthcare provider segment of the company.

Strategies

Our Company

Widen our customer base

As on the date of this Information Memorandum, our Company caters to the information technology services requirements of: (a) the distribution operations in Kolkata of CESC; (b) the power generation business of CESC and its subsidiaries; and (c) three distribution franchises in Rajasthan. For Fiscal 2018 and the six months period ended September 30, 2018, our Company's entire total revenue from operations were pursuant to catering to the power distribution and generation business CESC and its subsidiaries.

Our Company intends to expand its operations by initially targeting other power generating and distribution companies to exploits it competence in this sector in India and abroad. Our Company shall thereafter seek to expand its operations to other sectors as well. To enable such expansion of our business operations, we shall focus on brand development and marketing our niche and specialised skills and capabilities.

Expanding our technical capabilities

Our Company shall aim to gradually build additional technical capabilities, including operational technology.

The personnel being transferred to our Company have been providing information technology services to the power distribution and generation business of CESC and its subsidiaries for a long period, with such services retaining relevance to the current date. Given our intention to expand into other sectors, we aim to expand our technical capabilities to be able to provide appropriate services for the other sectors we shall cater to. Further, given rapid advancements in technology, we believe that for our services to remain relevant, we need to build additional capabilities with respect to emerging technologies. To further such strategy, our Company plans on arranging for appropriate training of our IT personnel for continuous up-skilling.

FSL

Continue to grow the BPM business

FSL intends to consolidate its leadership position in the BPM industry by continuing to grow its BPM business. FSL intends to achieve this by increasing income from existing clients and acquiring new clients across the T&M, BFSI and healthcare industries. FSL intends to grow income from existing clients by maintaining and enhancing service quality and process excellence, continuing to invest in account and relationship management teams, expanding service offerings to cover a broad range of services and cross selling various areas of expertise across different industry sectors and geographies. In addition, by leveraging of its industry expertise, FSL intends to develop bespoke tools and platforms to suit its client's specific needs which FSL expects will differentiate itself in the marketplace. FSL is also looking to grow by acquiring new clients. FSL aims to achieve this by leveraging the strength of its reputation and client base.

Product Description

Our Company

The scope of services of our Company includes *inter alia* the below:

Operation and maintenance

Our Company shall provide the following services:

- Maintaining a data repository for the power business of CESC and its subsidiaries, including the possession of the database and data accountability, data processing, managing data inventory, backup and data recovery;
- Servicing requirements of customers under the relevant service level agreement and resolution of feedback received;
- Operation and maintenance of the data centre and disaster recovery sites;
- Managing operational and transactional information technology facilities;
- Operation and maintenance of all present applications for line function and support services;
- Managing the process of billing, including the printing of bills, processing, delivery, collection, defect handling, necessary modification of code and taking ownership of all related hardware and software;
- Call centre operations and allied activities for customer relation management;
- Managing associated hardware and software for SCADA systems including communication terminal equipment;
- Managing and further development of software for operations including MIS reporting - report creation/modification, workflow management and analytics – online delivery;
- Maintenance and operation of communication network and terminal equipment including responsibility to deal with service providers;
- Software & hardware support for all IT/OT applications including sensors;

- Development and maintenance of IT Applications for distribution franchises business in Rajasthan while also providing continuous support for developments and modification;
- Providing need-based consultancy support to other organisations;
- Assessment of software systems and necessary version upgradation with corresponding modification scheme hardware system;
- Re-installation of base software packages and operating systems;
- System restoration in the event of any outage - performance tuning and optimization;
- Incorporating necessary changes and modification to application softwares;
- Review of systems and periodic upgradation of the same;
- Arranging for necessary training on a continuous basis to the IT personnel with respect to relevant technologies;
- IT capability building and knowledge management including exposure to new systems and processes.
- Cyber security and IT audit and implementation of remedial measures.
- IT policy compliance including software licensing.
- Marketing of IT solutions for power generating or distribution focussed entities to other power utilities in India and abroad.

Projects

Our Company shall undertake four major projects catering to the distribution operations in Kolkata of CESC and the power generation business of CESC and its subsidiaries in due course.

The four projects shall be: (a) implementation of an end to end ERP; (b) developing a geographical information system (including last mile consumer indexing); (c) contributing to the development of an integrated smart grid control centre; and (d) contributing in setting up a digital utility by deploying emerging technologies.

Additionally, our Company proposes to undertake an advisory role and provide support as a consultant to other companies in the Group for dealing with any upgradation of a project from the stage of requirement analysis, vendor selection, performance analysis and project monitoring. Small and medium type local applications developed and maintained by respective departments of various companies in the Group are also proposed to be handled by the Company in future.

GIL

Guiltfree Industries Limited ("**GIL**") was incorporated on January 6, 2017 with the intent of venturing into the fast-moving consumer goods business. GIL seeks to provide healthier and accordingly guilt free packaged food options. The first brand launched by GIL is "Too Yumm!", which is into the business of manufacturing and selling healthier snacks. GIL aims to follow organic and inorganic trajectories to gradually venture into other FMCG categories and create a portfolio of brands.

GIL has also acquired Apricot Foods Private Limited ("**Apricot**") in April 2017. Apricot is a packaged snacks company based in Gujarat. Apricot's brand 'eVita' has achieved a sales turnover of approximately ₹ 164 crore in Fiscal 2018.

Since incorporation, GIL has witnessed significant growth of approximately 15-20% month on month. In Fiscal 2018, the consolidated total revenue from operations of GIL was ₹190.41 crore.

GIL is presently operating through nine manufacturing units and 18 Carrying & Forwarding Agents catering around 280 cities across India. GIL plans to further develop state of the art green field manufacturing facilities to deliver the best quality products to its consumers. GIL has created a presence in all channels like general trade, modern trade, e-commerce and institutional sales by appointing almost 300+ Distributors catering about 300,000 stores across India. The Company has also commenced exporting products to various countries like Nepal, Singapore and Dubai.

In the first year of operations, the “Too Yumm” brand has been awarded with prestigious awards including the “Food Brand Innovator of the Year” at Food Retail Awards 2018 and “TOO YUMM! - Hour Glass Shaped Profile Pouch for Fox Nuts with superior aesthetics” at the World Star Packaging Awards at Rio de Janeiro, Brazil.

FSL

FSL offers wide range of BPM services in the areas of customer management, transaction processing and collectives services. FSL operates across multiple business functions and provides services to clients primarily in T&M, healthcare and BFSI industries through multi-shore delivery centres.

FSL is among the largest pure-play BPM providers in terms of revenue in India.

Service Offerings

For the T&M industry, FSL operates across direct-to-home ("DTH")/pay-television, the mobile/wireless, broadband/high speed internet, and sub-segments. Some of the services provided by FSL include customer acquisition, provisioning and fulfilment support, customer service, billing support, dispute resolution, churn management and collections.

For the healthcare industry, FSL serves the payer market represented by the insurance companies and the provider market represented by hospitals and physician groups in the United States. Some of the services provided by FSL include mail and document management, claims processing, claims pricing, claims adjudication and adjustment, provision of database maintenance and revenue cycle management, and receivables management for healthcare providers.

For the BFSI industry, FSL operates across the cards, mortgages, general insurance and retail banking sub-segments. Some of the services provided by FSL include customer acquisition, accounts set-up, customer service and account, dispute resolution, mortgage origination and servicing, insurance policy issuance and administration, payment processing, collections, research and analytics

Client Portfolio

Our Company

Our Company in the immediate future plans to have four verticals catering to the IT requirements of: (a) the distribution operations in Kolkata of CESC; (b) the power generation business of CESC and its subsidiaries; (c) distribution franchises in Rajasthan; and (d) maintenance of common infrastructure assets including communication networks. Each such vertical requirement shall be under the charge of a senior official of our Company.

Our Company intends to gradually expand its customer base and cater to external clients, with an initial focus on other power distribution and generation companies.

FSL

FSL has clients primarily based in North America, United Kingdom and India in the T&M, healthcare and BFSI industries as further detailed below.

T&M

Key clients include a major pay television operator in the United Kingdom, a large pay television and cable TV company in the United States, a telecom provider in the United Kingdom

Healthcare

Within the healthcare industry, FSL serves the payer market represented by the insurance companies and the provider market represented by hospitals and physician groups in the United States. Key clients include numerous Fortune 500 health insurers and managed care companies in the United States including 3 of the Top 5 insurers and over 650 hospitals in the United States.

BFSI

Key clients include the major general-purpose credit card issuers and mortgage lenders in the United States, large retail banks, mortgage lenders and auto insurers in the United Kingdom, a leading Irish Bank, a leading credit card issuer in the United Kingdom and a leading public sector bank in India.

FSL's top five clients made up approximately 46.3% of its income from sale of services, on a consolidated basis, in Fiscal 2018 and 42.7% of its income from sale of services, on a consolidated basis, in the six months ended September 30, 2018. FSL's largest client during the six months ended September 30, 2018, represented approximately 24.7% of its income from sale of services on, a consolidated basis.

Delivery Centres

FSL services its clients through its global delivery capabilities both onshore and offshore. It had 36 delivery centres as of September 30, 2018 across India, United States, United Kingdom and Philippines. supported by a scalable infrastructure network.

Employees

We have experienced management team whom we rely upon to anticipate industry trends and to capitalize on new business opportunities that may emerge. Our Board includes Sanjiv Goenka, chairman of the Group, as the chairman of our Company.

Post the Scheme, as on the date of this Information Memorandum, 71 IT and IT related professionals earlier engaged at various levels of the hierarchy in CESC and its subsidiaries will form part of the resource base for our Company. Additionally, certain other personnel engaged in operational IT related activities with dedicated domain specific knowledge will also be part of our Company's resource pool.

The employees shall be specifically assigned to the business functions of CESC which our Company would be catering to in the immediate future i.e. the power distribution business in Kolkata, the power generation business of CESC and its subsidiaries, the power distribution franchises of CESC in Rajasthan and the common services.

Our Subsidiaries shall retain their respective employees and organization structure.

Insurance policies

Our employees and assets are covered under the Group's insurance policies and our Company intends to take advantage of the Group and the continue with the Group's insurance policies. Our Company intends to take the necessary insurance in consultation with relevant experts for its assets.

For a discussion of certain risks relating to our insurance coverage, please see "*Risk Factors- Our insurance cover may not be adequate, or we may incur uninsured losses or losses in excess of our insurance coverage*" at page 19.

Property

Our Group Company, CESC has through its letter dated January 25, 2017 conveyed its no-objection to our Company for using their premises owned at CESC House, Chowringhee Square, Kolkata 700 071, West Bengal, India, as our Registered Office. For further details, please see "*Risk Factors- Our registered office is not owned by our Company.*" at page 20.

KEY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter is based on current provisions of Indian laws which are subject to amendments, changes and modifications. The information stated below is based on the information collection from the Industry and from the public domain. The descriptions of the applicable statutes and policies set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. Taxation statutes such as the Income Tax Act, 1961, the Customs Act, 1962, the relevant goods and services tax legislation and applicable shops and establishments' statutes apply to us as they do to any other company. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Information Technology Act, 2000 and the rules made thereunder

The Information Technology Act, 2000 (the "**IT Act**") seeks to (a) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information; (b) facilitate electronic filing of documents; and (c) create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act has extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. Additionally, the IT Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defence and security of India, among other things. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permits the Government of India to block access of any information generated, transmitted, received, stored or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing.

The IT Act creates liability on a body corporate which is negligent in implementing and maintaining reasonable security practices and procedures, and thereby causing wrongful loss or wrongful gain to any person, while possessing, dealing or handling any sensitive personal data or information in a computer resource owned, controlled or operated by it but affords protection to intermediaries with respect to third party information liability. The IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including compensation, fines and imprisonment for various computer related offences including those relating to unauthorised disclosure of confidential information and committing of fraudulent acts through computers, tampering with source code, unauthorised access, publication or transmission of obscene material and damaging computer systems and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto.

In April 2011, the Department of Information Technology ("**DOIT**") under the Ministry of Communications and Information Technology notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 under section 43A of the IT Act (the "**IT Security Rules**") which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected, and any third-party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The DOIT also notified the Information Technology (Intermediaries Guidelines) Rules, 2011 under Section 79(2) of the IT Act (the "**IT Intermediaries Rules**") requiring intermediaries receiving, storing, transmitting or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under these IT Intermediaries Rules and to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it.

Software Technology Parks Scheme ("STPI Scheme")

The STPI Scheme was introduced by the Government with the objective of encouraging, promoting and boosting the software exports from India. The STPI Scheme, which is a 100% export-oriented scheme, was implemented for the development and export of computer software. Software Technology Parks of India ("**STPI**") was established and registered as an autonomous society under the Societies Registration Act, 1860, under the Ministry of Electronics and Information Technology, Government of India ("**MEIT**") on June 5, 1991. The STPI Scheme provides benefits such as data communication facilities, operational space, common amenities, single window clearances and approvals including project approvals, import certification and other facilities to boost software exports from India. To avail the benefits as envisaged by the Government, a company is required to register itself with the appropriate authorities. The principal compliance required of a company accorded approval under the STPI Scheme is the fulfilment of the export obligation. The letters of permission may contain other conditions. The STP Scheme is governed by the Foreign Trade Policy, 2015-2020 ("**FTP 2020**") read with the Handbook of Procedures, 2015-2020.

The Trade Marks Act, 1999 ("**Trademark Act**")

Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act, 1999 ("**Trademark Act**") governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future. Once granted, trademark registration is valid for ten years, unless cancelled. If not renewed after ten years, the mark lapses and the registration have to be restored. The Trademark (Amendment) Act, 2010 ("**Amendment 2010**") has been enacted by the government to amend the Trademark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries. The Amendment 2010 also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to align the law with international practice.

Consumer Protection Act 1986 ("COPRA")

The COPRA came into effect on December 24, 1986. The COPRA reinforces the interest and rights of consumers by laying down a mechanism for speedy grievance redressal. Any person to whom goods were delivered/intended to be delivered or services were rendered/ intended to be rendered, or a recognized consumer association, or numerous consumers having the same interest, or the Central/State Government may lodge a complaint before the district forum or any other appropriate forum under the COPRA, inter alia, where: (a) an unfair trade practice or a restrictive trade practice has been adopted by a service provider; (b) the services availed or agreed to be availed suffer from any deficiency in any material aspect; and (c) the provision of services which are hazardous or likely to be hazardous to life and safety of the public when used are offered by the service provider which such person could have known with due diligence to be injurious to life and safety. When a person against whom a complaint is made fails to or omits to comply with any order made by the forum/commission, such person shall be punishable with imprisonment for a term ranging from one month to three years, or a fine of not less than ₹2,000, but not more than ₹10,000, or both.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as "RP-SG Business Process Services Limited" at Kolkata, West Bengal, India as a public limited company under the Companies Act, 2013 pursuant to a certificate of incorporation dated February 7, 2017 issued by the RoC. The name of our Company was thereafter changed to our current name (i.e. CESC Ventures Limited) and a certificate of incorporation pursuant to change of name was issued by the RoC on December 13, 2018.

Registered office of our Company

The registered office of our Company is located at CESC House, Chowringhee Square, Kolkata – 700 071, West Bengal, India.

Changes in Memorandum of Association.

Other than pursuant to the Scheme, there have been no changes in our MOA since incorporation except as mentioned below:

Date of Shareholders resolution/certificate of incorporation pursuant to change of name	Particulars
June 10, 2017	Increase in our authorised share capital from ₹5,00,000 comprising of 50,000 Equity Shares of ₹10 each to ₹750,00,00,000 comprising of 75,00,00,000 Equity Shares of ₹10 each.
December 13, 2018	The name of our Company was changed from "RP-SG Business Process Services Limited" to "CESC Ventures Limited"

Main objects as set out in the Memorandum of Association of our Company

"To design, plan, develop, make, establish, install, operate, provide, manage, maintain, promote, execute, implement customer interaction management services, consultancy services, or otherwise deal in, operate and facilitate in any manner the entire range of IT enabled services, web enabled services, value added services including all services related to access, storage, distribution and transmission of Internet, web page hosting, web site designing, electronic commerce services in various forms including but not restricted to voice, e-mail, chat and collaborative browsing, data base and data processing services, computer hardware and software systems, and all kinds of communication as are in use or may be developed in future with an intention of moving upstream in the value chain.

To provide information, undertake marketing of various services either directly or through Internet and related media. To gather information, act as a trader, importer, indentor, agent, distributor and to do E-commerce. To perform every act and provide all services relating to advertisement and marketing of various services throughout the world through web sites, on-line shops and other communication media.

To carry on the business of collection of data, its classification and storage, dissemination of information including the provision of database services through all kinds of communication network.

To carry on the business or branch of a business which this company is authorised to carry on by means or through the agency of any other business organisation in India or abroad and to enter into arrangement with any such company for taking the profits and bearing the losses of any business so carried on or for funding any liabilities or obligations or to make any other business so carried on by the Company, with a power at any time to close any such business either temporarily or permanently and or to appoint Directors or managers or administrators of any such company or business organisation.

To build, operate, lease, assemble, import, buy, sell, repair, convert, erect, operate, maintain, service, market, let on hire, transfer and otherwise deal in all types of communication, transmission, switching computer, telecommunication, networking equipments and all types of fibre and other telecommunication cables and other machinery equipments, instruments, parts, components and accessories thereof.

To acquire and undertake all or any part of the business property and liabilities of any person or company carrying on or proposing to carry on any business which this Company is authorized to carry on or possessed of property suitable for the purpose of the Company or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.

To form incorporate or promote any company or companies , whether in India or elsewhere, having amongst its or their objects the acquisition of all or any of the assets or control or development of the Company or any other objects or objects which in the opinion of the Company could or might directly or indirectly assist the Company in the development of the properties or otherwise prove advantageous to the Company and to pay all the costs and expenses incurred in connection with any such promotion or incorporation and to remunerate any person or company in any manner it shall think fit for services rendered or to be rendered in obtaining subscriptions for or for guaranteeing the subscriptions of or placing of any shares in the capital of the Company or any bonds, debentures, obligations or securities of the Company.

To enter into contracts, agreements and arrangements with any other person, firm, association, society, company or corporation, for the carrying out, by such other person, firm, association, society, company or corporation on behalf of the Company, the objects for which the Company is formed.

To open and establish branch offices, set up subsidiaries at any part of the world for carrying out, facilitating, supporting, achieving the objects for which the Company is formed.

To acquire and undertake the whole or any part of the business, goodwill, concern, undertaking, rights, property, assets and liabilities of any person, concern, firm, association, company or corporation carrying on any business which the Company is authorised to carry on or to possess property suitable for the purpose of the objects of the Company and to pay the same by shares or debentures of this Company or by otherwise, or partly in one way and partly in another or others, and to conduct, expand and windup and liquidate such business and to purchase and take steps for the acquisition of existing and new licenses in connection with any such business.

To carry on the business of consultants and advisors and to provide and tender all types of services rendered by consulting engineers, technicians and experts and to undertake techno-economic survey, economic feasibility reports, project reports, and design and developments of new products, to assist in selection of technology, provide turnkey engineering services, to act as consultants and to provide management, financial, technical, engineering, industrial, administrative, advisory, commercial, accountancy, quality control, legal, taxation, electronic data processing, computer and other consultancy services.

To let on lease or on hire purchase system or to lend or otherwise dispose off any property belonging to the Company. To sell, mortgage, let on lease, royalty or tribute, grant licenses, easements, options and other rights over and in any other manner deal with or dispose off the undertaking, property, assets, rights and effects of the Company or any part thereof for such amount as may be thought fit and in particular for stock and shares, whether fully or partly paid up securities of any other company having objects in whole or in part similar to those of the Company.

To acquire and undertake all or any part of the business, property and liabilities of any person or company carrying on or proposing to carry on any business which this Company is authorised to carry on.

To engage in any business or transaction with in connection with any other person, corporation, and company or to hold shares, stocks or bonds in any such company or corporation, the business which this Company is authorized to carry on.

To undertake and execute any trust, the undertaking of which may seem to the Company desirable and either gratuitously or otherwise and vest any real or personal property, right or interest acquired by or belonging to the Company in any person or company or companies on behalf of or for the benefit of the Company and with or without any declared trust in favor of the Company for the purpose of the business of the Company

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To subscribe for, become a member of, and co-operate with any other association, whether incorporated or not, whose objects are altogether or in part similar to those of the Company, and to procure from and communicate to any such association, such information as may be likely to further the objects of the Company.

To pay for any properties, rights or privileges acquired by the Company or for services rendered or to be rendered in connection with the promotion, formation of the business of the Company or for services rendered or to be rendered by any persons, firms or bodies corporate, in placing or assisting to place or guaranteeing the placing of any of the shares of the Company or any debentures or other securities of the Company or otherwise wholly or partly in cash or in shares, bonds, debentures or other securities of the Company and to issue such shares either as fully paid up or with amount credited as paid up there in as may be agreed upon, to charge any such bonds, debentures or other securities upon all or any part of the property of the Company.

To promote any other company or companies having similar or other objects for the purpose of acquiring or taking over all or any of the property, rights and assets and liabilities of any other company or for any other purpose which may directly or indirectly benefit the Company.

To undertake or participate in the formation, management, supervision or control of the business operations of any other companies, firms or persons, having similar or other objects.

To appoint agents, representatives, commission agents, brokers, and to engage advisors, consultants, advocates, attorneys, and solicitors and to grant them or any of them necessary power of attorney.

To pay out of the funds of the Company, all costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.

To act as principals, agents, contractors, trustees, or otherwise by or through trustees, attorneys, agents or otherwise and either alone or in conjunction with others and to establish offices, agencies or branches for carrying on any of the aforesaid objects in India or elsewhere in the world.

To carry on the business of development of software and to deal in hardware.

To establish, provide, perform systems, engineering services related technical and consultancy services, import technical know-how in the field of computers develop technical expertise for providing technological and technical know-how.

To borrow, raise loans (other than public deposits) in Indian or foreign currencies in any form, accept deposits, create indebtedness, receive grants or take advances (whether interest free or not), procure equity loans or raise any monies required for the objects and purposes of the Company upon such terms and in such manner and with or without security as may from time to time be determined and in particular by the issue of debentures, debenture stock, bonds or other securities, provided always and it is hereby expressly declared as an original and fundamental condition of any such borrowing or raising of monies, that in all cases and under all circumstances any person claiming payment whether of principal or interest or otherwise howsoever in respect of the monies so borrowed or raised shall be entitled to claim such payment only out of the funds, properties and other assets of the Company which alone shall be deemed to be liable to answer and make good all claims and demands whatsoever under and in respect of the monies so borrowed or raised and not the personal funds, properties and other assets of all or any one or more of the members of the Board of Directors or Members of the Company, their or his heirs, executors, administrators, successors and assigns who shall not and shall not be deemed to in any way incur any personal liability or render themselves or *himself personally subject or liable to any claims or demands or be charged under and in respect of the monies so borrowed or raised, and in the event of the funds, properties and other assets of the Company being insufficient to satisfy the claims of all persons claiming payment as aforesaid, the right of any such person shall be limited to and he shall not be entitled to claim anything more than his part or share of such funds, properties and other assets of the Company in accordance with the terms and conditions on which the monies have been so borrowed or raised."*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

Awards and accreditations

The IT Undertaking has in the past been given the following awards and accreditations:

Year	Award/Accreditation	Conferred by
2012	CISO Award for Cyber Security	CISO Awards
2013	ICON Award for innovative GIS implementation	ICON Awards
2015	E&Y ICT Excellence Award	ICT Excellence Awards
2015	New Age Service Provider of the Year	Digitizing India Awards organised by NDTV and CISCO
2015	Skoch Award for IT Excellence	Skoch Group
2015	Skoch Award for "Meter to Cash Cycle"	Skoch Group
2015	Skoch Award for end to end CRM software	Skoch Group

Shareholders' agreements

There are no subsisting shareholders' agreements in relation to our Company.

Material agreements

There is no subsisting material agreement entered by our Company since incorporation other than in the ordinary course of business.

Further, there is no agreement entered into by a Key Managerial Personnel or Director or Promoter or any employee of our Company, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings in the securities of our Company.

Holding company

Our Company has no holding company.

Our Subsidiaries

As on the date of this Information Memorandum, our Company has the following 21 subsidiaries:

1. Firstsource Solutions Limited
2. Guiltfree Industries Limited
3. Bowlopedia Restaurants India Limited
4. Apricot Foods Private Limited

5. Quest Properties Limited
6. Firstsource Process Management Services Limited
7. Firstsource Solutions UK Limited
8. Firstsource Solutions S.A., Argentina
9. Firstsource Group USA, Inc
10. MedAssist Holding, LLC
11. Firstsource Business Process Services, LLC
12. Firstsource Advantage, LLC
13. One Advantage, LLC, USA
14. Firstsource Solutions USA, LLC
15. Firstsource Transaction Services, LLC
16. ISGN Solutions Inc.
17. ISGN Fulfillment Services, Inc
18. ISGN Fulfillment Agency, LLC
19. Firstsource BPO Ireland Limited
20. Firstsource-Dialog Solutions (Private) Limited
21. Metromark Green Commodities Private Limited

Unless stated otherwise, the details in relation to our Subsidiaries, provided below, are as on the date of this Information Memorandum.

1. **Firstsource Solutions Limited** (“**FSL**”)

Corporate Information

FSL was incorporated as a public limited company on December 6, 2001 under the Companies Act. Its corporate identity number is L64202MH2001PLC134147. Its registered office is situated at 5th Floor, Paradigm “B” Wing, Mindspace, Link Road, Malad (West), Mumbai 400 064, Maharashtra, India.

Its equity shares are listed on BSE and NSE. FSL is engaged in the business of business process outsourcing.

Capital Structure

The authorised share capital of FSL is ₹872,00,00,000 divided into 87,20,00,000 equity shares of ₹10 each. The issued, subscribed and paid up equity share capital of FSL is ₹ 690,36,44,800 divided into 69,03,64,480 equity shares of ₹10 each.

Shareholding Pattern

As on December 31, 2018, our Company held 54.13% of the equity share capital of FSL. The shareholding pattern of FSL as on December 31, 2018, is as mentioned below:

Category of shareholder	**No. of shareholders**	**No. of fully paid up equity shares held**	**Total no. shares held**	**Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)**	**No. of Voting Rights**	**Total as a % of Total Voting right**	**No. of equity shares held in dematerialized form**
(A) Promoter &	1	37,39,76,673	37,39,76,673	54.13	37,39,76,673	54.13	37,39,76,673

Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
Promoter Group							
(B) Public	1,63,348	31,68,75,107	31,68,75,107	45.87	31,68,75,107	45.87	31,68,73,723
(C1) Shares underlying DRs	-	-	-	-	-	-	-
(C2) Shares held by Employee Trust	-	-	-	-	-	-	-
(C) Non Promoter-Non Public	-	-	-	-	-	-	-
Grand Total	1,63,349	69,08,51,780	69,08,51,780	100.00	69,08,51,780	100.00	69,08,50,396

There are no accumulated profits or losses of FSL not accounted for by our Company.

2. **Guiltfree Industries Limited** ("**GIL**")

Corporate Information

GIL was incorporated as a public limited company on January 6, 2017 under the Companies Act, 2013. Its Corporate Identity Number is U15549WB2017PLC218864. Its registered office is situated at 31, Netaji Subhas Road, 1st Floor, Duncan House Kolkata 700 001, West Bengal, India.

GIL is engaged in the business of processing foods and beverages.

Capital Structure

The authorised share capital of GIL is ₹750,00,00,000 divided into 750,000,000 equity shares of ₹10 each. The issued, paid up and subscribed equity share capital of GIL is ₹463,16,25,000 divided into 463,162,500 equity shares of ₹10 each.

Shareholding Pattern

Name of the shareholder	No. of equity shares held	Percentage of equity holding (%)
CESC Ventures Limited (formerly RP-SG Business Process Services Limited)	46,31,62,494	100.00
CESC Ventures Limited (formerly RP-SG Business Process Services Limited) and Subhasis Mitra	1	0.00
CESC Ventures Limited (formerly RP-SG Business Process Services Limited) and Rajarshi Banerjee	1	0.00

Name of the shareholder	No. of equity shares held	Percentage of equity holding (%)
CESC Ventures Limited (formerly RP-SG Business Process Services Limited) and Gautam Ray	1	0.00
CESC Ventures Limited (formerly RP-SG Business Process Services Limited) and Rabi Chowdhury	1	0.00
CESC Ventures Limited (formerly RP-SG Business Process Services Limited) and Rajendra Jha	1	0.00
CESC Ventures Limited (formerly RP-SG Business Process Services Limited) and Subrata Talukdar	1	0.00
Total	**46,31,62,500**	**100.00**

There are no accumulated profits or losses of GIL not accounted for by our Company.

3. **Bowlopedia Restaurants India Limited** ("**BRIL**")

Corporate Information

BRIL was incorporated as a public limited company on May 3, 2017 under the Companies Act, 2013. Its Corporate Identity Number is U55209WB2017PLC220862. Its registered office is situated at 31, Netaji Subhas Road, 1st Floor, Duncan House Kolkata 700 001, West Bengal, India.

BRIL is engaged in the business of owning and operating restaurants and cafes.

Capital Structure

The authorised share capital of BRIL is ₹800,00,000 divided into 80,00,000 equity shares of ₹ 10 each. The issued, paid up and subscribed equity share capital of BRIL is ₹724,00,000 divided into 72,40,000 equity shares of ₹10 each.

Shareholding Pattern

Name of the shareholder	No. of equity shares held	Percentage of equity holding (%)
CESC Ventures Limited (formerly RP-SG Business Process Services Limited)	72,39,994	100.00
CESC Ventures Limited (formerly RP-SG Business Process Services Limited) and Subhasis Mitra	1	0.00
CESC Ventures Limited (formerly RP-SG Business Process Services Limited) and Rajarshi Banerjee	1	0.00
CESC Ventures Limited (formerly RP-SG Business Process Services Limited) and Gautam Ray	1	0.00
CESC Ventures Limited (formerly RP-SG Business Process Services Limited) and Rabi Chowdhury	1	0.00
CESC Ventures Limited (formerly RP-SG Business Process Services Limited) and Rajendra Jha	1	0.00
CESC Ventures Limited (formerly RP-SG Business Process Services Limited) and Subrata Talukdar	1	0.00
Total	**72,40,000**	**100.00**

There are no accumulated profits or loses of BRIL not accounted for by our Company.

4. **Apricot Foods Private Limited** ("**AFPL**")

Corporate Information

AFPL was incorporated as a private limited company on October 17, 2003 under the Companies Act, 1956. Its Corporate Identity Number is U15499GJ2003PTC043068. Its registered office is situated at 2410, G.I.D.C. Lodhika, Almighty Gate, Post: Khirasra Metoda, Gujarat 360021

AFPL is engaged in the business of manufacturing food products.

Capital Structure

The authorised share capital of AFPL is ₹40,00,000 divided into 4,00,000 equity shares of ₹10 each. The issued, paid up and subscribed equity share capital of AFPL is ₹40,00,000 divided into 4,00,000 equity shares of ₹10 each.

Shareholding Pattern

Name of the shareholder	No. of equity shares held	Percentage of equity holding (%)
Rajesh Kumar Arun Bhai Patel	63,000	15.75%
Rajesh Arun Patel HUF	13,000	3.25%
Anjanaben Rajesh Patel	44,000	11.00%
Guiltfree Industries Limited	2,80,000	70.00%
Total	**4,00,000**	**100.00%**

There are no accumulated profits or losses of AFPL not accounted for by our Company.

5. **Quest Properties India Limited ("Quest")**

Corporate Information

Quest Properties India Limited was incorporated as a private limited company on February 22, 2006 under the Companies Act, 1956. Quest was converted into a public limited company on July 9, 2007. The name was changed to Quest's current name on June 15, 2015. The corporate identity number of Quest is C70101WB2006PLC108175. Its registered office is situated at CESC House, Chowringhee Square, Kolkata 700 001, West Bengal, India.

Quest is the business of operating of shopping mall and other real estate activities and making various investments including in venture capital funds.

Capital Structure

The authorised share capital of Quest is ₹270,00,00,000 divided into 27,00,00,000 equity shares of ₹ 10 each. The issued and subscribed equity share capital of Quest is ₹262,52,00,000 divided into 26,25,20,000 equity shares of ₹10 each.

Shareholding Pattern

Name of the shareholder	No. of equity shares held	Percentage of equity holding (%)
CESC Ventures Limited (formerly RP-SG Business Process Services Limited)	26,25,13,000	99.99

Name of the shareholder	No. of equity shares held	Percentage of equity holding (%)
CESC Ventures Limited (formerly RP-SG Business Process Services Limited) jointly with D. Guha	1,000	Negligible
CESC Ventures Limited (formerly RP-SG Business Process Services Limited) jointly with A. Sengupta	1,000	Negligible
CESC Ventures Limited (formerly RP-SG Business Process Services Limited) jointly with P.K. Basu	1,000	Negligible
CESC Ventures Limited (formerly RP-SG Business Process Services Limited) jointly with U Bhattacharya	1,000	Negligible
CESC Ventures Limited (formerly RP-SG Business Process Services Limited) jointly with S Talukdar	1,000	Negligible
CESC Ventures Limited (formerly RP-SG Business Process Services Limited) jointly with S. S. Sinha	1,000	Negligible
CESC Ventures Limited (formerly RP-SG Business Process Services Limited) jointly with J Chakraborty	1,000	Negligible
Total	**26,25,20,000**	**100.00**

There are no accumulated profits or losses of Quest not accounted for by our Company.

6. **Firstsource Process Management Services Limited** ("**FPMSL**")

Corporate Information

Firstsource Process Management Services Limited was incorporated as a public limited company on November 1, 2010 under the Companies Act, 1956. Its corporate identity number is U72200KA2010PLC055713. Its registered office is situated at 3rd Floor, Block 5A & 5B, Pritech Park - SEZ, Marathalli, Sarjapur Outer Ring Road, Bellandur, Bangalore 560 103 Karnataka.

FPMSL is engaged in the business of providing and facilitating information technology and information technology enabled services, providing technology driven business solutions and other value services related to information technology.

Capital Structure

The authorised share capital of FPMSL is ₹ 1,50,00,000 divided into 15,00,000 equity shares of ₹ 10 each. The issued, paid up and subscribed equity share capital of FPMSL is ₹ 1,05,00,000 divided into 10,50,000 equity shares of ₹10 each.

Shareholding Pattern

Name of the shareholder	No. of equity shares held	Percentage of equity holding (%)
Firstsource Solutions Limited	1,049,400	99.94
Manjunath Srivatsa	50	Negligible
Rajesh Subramaniam	100	0.01
Sanjay Ponnappa	100	0.01
Badrinath Bharadwaj	50	Negligible
Dinesh Jain	100	0.01
Sunil Koshy	50	Negligible
Ankur Maheshwari	50	Negligible

Name of the shareholder	No. of equity shares held	Percentage of equity holding (%)
Shahul Karim	50	Negligible
Vimal Dangri	50	Negligible
Total	**1,050,000**	**100.00**

There are no accumulated profits or losses of FPMSL not accounted for by our Company.

7. **Firstsource Solutions UK Limited** ("**Firstsource UK**")

Corporate Information

Firstsource Solutions UK Limited was incorporated as a private limited company on 23 May 2000 under the laws of England and Wales with registration number 03999896. Its registered office is situated at Space One, 1 Beadon Road, London, W6 0EA, United Kingdom.

Firstsource UK is engaged in the business of business process outsourcing.

Capital Structure

The authorised share capital of Firstsource UK is £2,834,672 divided into 2,834,672 equity shares of £1 each. The issued, paid up and subscribed equity share capital of Firstsource UK is £2,834,672 divided into 2,834,672 equity shares of £1 each.

Shareholding Pattern

Name of the shareholder	No. of equity shares held	Percentage of equity holding (%)
Firstsource Solutions Limited	2,834,672	**100.00**
Total	2,834,672	**100.00**

There are no accumulated profits or losses of Firstsource UK not accounted for by our Company.

8. **Firstsource Solutions S.A.** ("**Firstsource Argentina**")

Corporate Information

Firstsource Argentina was incorporated in accordance with the laws of Argentina with the registration number 12980. Its registered office is situated at San Martin 344, 4th Floor, Buenos Aires, Argentina.

The Company is yet to commence business or operations.

Shareholding Pattern

The shareholding pattern of Firstsource Argentina is as mentioned below:

Name of the shareholder	No. of equity shares held	Percentage of equity holding (%)
Firstsource Solutions UK Limited	6,024,599	99.98%
First Ring Inc.	1,000	0.02%

There are no accumulated profits or losses of Firstsource Argentina not accounted for by our Company.

9. **Firstsource Group USA, Inc. ("Firstsource USA")**

Corporate Information

Firstsource Group USA, Inc. was incorporated as a private corporation on November 25, 2009 under the laws of Delaware with a file number with the State of Delaware of 4757960. Its registered agent is National Registered Agent, Inc with a registered office situated at 160 Greentree Drive, Dover, DE 19904.

Firstsource USA serves as a holding company and provides support services to its subsidiaries and is engaged in the business of providing business process outsourcing services.

Capital Structure

The authorised share capital of Firstsource USA is 4,00,000 shares of common stock with a par value of US$1.00 per share.

Membership Pattern

Name of the shareholder	No. of equity shares held	Percentage of equity holding (%)
Firstsource Solutions Limited	2,18,483	100%

There are no accumulated profits or losses of Firstsource USA not accounted for by our Company.

10. ***MedAssist Holding, LLC*** ("**Med Assist**")

Corporate Information

MedAssist Holding, LLC was formed as a private limited liability company on March 31, 2015 under the laws of Delaware with a file number with the State of Delaware of 5720943. Its registered agent is National Registered Agent, Inc. with a registered office situated at 160 Greentree Drive, Dover, DE 19904.

Med Assist serves as a holding company.

Capital Structure

The authorised membership unit capital of Med Assist is 2,000 membership units. There are 991.90773 membership units issued and outstanding to its sole member, Firstsource Group USA, Inc.

Membership Unit Holding Pattern

Name of the shareholder	No. of equity units held	Percentage of equity holding (%)
Firstsource Group USA, Inc	991.90773	100%

There are no accumulated profits or losses of Med Assist not accounted for by our Company.

11. ***Firstsource Business Process Services, LLC*** ("**Firstsource BPS**")

Corporate Information

Firstsource Business Process Services, LLC was formed as a private limited liability company on November 25, 2009 under the laws of Delaware with a file number with the State of Delaware of 4757962. Its registered agent is National Registered Agent, Inc. with a registered office at 160 Greentree Drive, Dover, DE 19904. Firstsource BPS serves as a holding company.

Capital Structure

100% of the membership interest in Firstsource BPS is owned by its sole member, Firstsource Group USA, Inc.

Membership Pattern

Name of the shareholder	Percentage of equity holding (%)
Firstsource Group USA, Inc.	100%

There are no accumulated profits or losses of Firstsource BPS not accounted for by our Company.

12. ***Firstsource Advantage, LLC*** (“**Firstsource Advantage**”)

Corporate Information

Firstsource Advantage, LLC was formed as a private limited liability company on April 27, 1995 under the laws of New York with a file number with the State of New York of 1916838. Its registered agent is CT Corporation System with a registered office at 111 Eighth Avenue, New York, NY, 10011.

Firstsource Advantage is engaged in the business of providing business process outsourcing, including, debt collection services.

Capital Structure

100% of the membership interest in Firstsource Advantage is owned by its sole member, Firstsource Business Process Services, LLC.

Membership Unit Holding Pattern

Name of the shareholder	Percentage of equity holding (%)
Firstsource Business Process Services, LLC	100%

There are no accumulated profits or losses of Firstsource Advantage not accounted for by our Company.

13. ***One Advantage, LLC*** (“**One Advantage**”)

Corporate Information

One Advantage, LLC was formed as a private limited liability company on August 6, 2014 under the laws of Delaware with a file number with the State of Delaware of 5582247. Its registered agent is The Corporation Trust Company with a registered office at Corporation Trust Center 1209 Orange St, Wilmington, DE 19801.

One Advantage is engaged in the business of providing business process outsourcing, including, debt collection services.

Capital Structure

100% of the membership interest in One Advantage is owned by its sole member, Firstsource Business Process Services, LLC.

Membership Unit Holding Pattern

Name of the shareholder	Percentage of equity holding (%)
Firstsource Business Process Services, LLC	100%

There are no accumulated profits or losses of One Advantage not accounted for by our Company.

14. **Firstsource Solutions USA, LLC ("Firstsource Solutions")**

Corporate Information

Firstsource Solutions USA, LLC was formed as a private limited liability company on March 31, 2010 under the laws of Delaware with a file number with the State of Delaware of 4805589. Its registered agent is National Registered Agent, Inc. with a registered office situated at 160 Greentree Drive, Dover, DE 19904.

Firstsource Solutions is engaged in the business of providing business process outsourcing to the healthcare industry.

Capital Structure

100% of the membership interest in Firstsource Solutions is owned by its sole member, MedAssist Holding, LLC.

Membership Unit Holding Pattern

Name of the shareholder	Percentage of equity holding (%)
MedAssist Holding, LLC	100%

There are no accumulated profits or losses of Firstsource Solutions not accounted for by our Company.

15. ***Firstsource Transaction Services, LLC*** ("**Firstsource Transaction**")

Corporate Information

Firstsource Transaction Services, LLC was formed as a private limited liability company on May 26, 2011 under the laws of Delaware with a file number with the State of Delaware of 4988428. Its registered agent is National Registered Agent, Inc. with a registered office situated at 160 Greentree Drive, Dover, DE 19904.

Firstsource Transaction is engaged in the business of providing business process outsourcing to the healthcare industry.

Capital Structure

100% of the membership interest in Firstsource Transaction is owned by its sole member, Firstsource Solutions USA, LLC.

Membership Unit Holding Pattern

Name of the shareholder	Percentage of equity

	holding (%)
Firstsource Solutions USA, LLC	100%

There are no accumulated profits or losses of Firstsource Transaction not accounted for by our Company.

16. ***ISGN Solutions, Inc.*** (“**ISGN Solutions**”)

Corporate Information

ISGN Solutions, Inc. was incorporated as a private corporation on April 19, 1999 under the laws of Delaware with a file number with the State of Delaware of 3031235. Its registered agent is National Registered Agent, Inc. with a registered office at 160 Greentree Drive, Dover, DE 19904.

ISGN Solutions, is engaged in the business of providing outsourced business process services to the mortgage industry.

Capital Structure

The authorised share capital of ISGN Solutions is 1,000 shares of common stock with a par value of US$100.00 per share, of which 733 are issued and outstanding to its sole shareholder, Firstsource Group USA, Inc.

Shareholding Pattern

Name of the shareholder	Number of equity shares held	Percentage of equity holding (%)
Firstsource Group USA, Inc	733	100%

There are no accumulated profits or losses of ISGN Solutions not accounted for by our Company.

17. ***ISGN Fulfillment Services, Inc.*** (“**ISGN Fulfillment**”)

Corporate Information

ISGN Fulfillment Services, Inc. was incorporated as a private corporation on December 24, 1985 under the laws of the Commonwealth of Pennsylvania with a file number with the Commonwealth of Pennsylvania of 883530. Its registered agent is National Registered Agent, Inc. with a registered office at 600 North 2nd Street, Suite 401, Harrisburg, Pennsylvania 17101.

ISGN Fulfillment is engaged in the business of providing outsourced business process services, including title agency services.

Capital Structure

The authorised share capital of ISGN Fulfillment is 10,00,000 shares of common stock with no par value.

Shareholding Pattern

Name of the shareholder	Number of equity shares held	Percentage of equity holding (%)
ISGN Solutions, Inc.	4,00,803	100%

There are no accumulated profits or losses of ISGN Fulfillment not accounted for by our Company.

18. ***ISGN Fulfillment Agency, Inc.*** (“**ISGN FA**”)

Corporate Information

ISGN Fulfillment Agency, LLC was formed as a private limited liability company on January 31, 2001 under the laws of Delaware with a file number with the State of Delaware of 3350975. Its registered agent is National Registered Agents, Inc. with a registered office at 160 Greentree Street, Dover, DE, 19904.

ISGN FA is engaged in the business of providing business process outsourcing, including title agency services.

Capital Structure

100% of the membership interest in ISGN FA is owned by its sole member, ISGN Fulfillment Services, Inc.

Membership Unit Holding Pattern

Name of the shareholder	Percentage of equity holding (%)
ISGN Fulfillment Services, Inc	100%

There are no accumulated profits or losses of ISGN FA not accounted for by our Company.

19. ***Firstsource BPO Ireland Limited.*** ("**Firstsource Ireland**")

Corporate Information

Firstsource B.P.O. Ireland Limited was incorporated as a private limited company on 16 September 2019 under the laws of Ireland with registration number in 503736. Its registered office is situated at 1 Stokes Place, Saint Stephen's Green, Dublin 2, Ireland.

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Firstsource Ireland is engaged in the business of business process outsourcing.

Capital Structure

Shareholding Pattern

Name of the shareholder	Number of equity shares	Percentage of equity holding (%)
Firstsource Solutions Limited	1	100%

There are no accumulated profits or losses of Firstsource Ireland not accounted for by our Company.

20. ***Firstsource- Dialog Solutions (Private) Limited*** ("**Firstsource Dialog**")

Corporate Information

Firstsource-Dialog Solutions (Private) Limited was incorporated as a private limited liability on January 21, 2011 company under the laws of Sri Lanka with the Registration No PV 76675. Its registered office is situated at is situated at Level 11, Access South Tower, No. 278/4, Union Place, Colombo 2.

Firstsource Dialog is engaged in the business of providing information technology enabled services.

Capital Structure

The stated share capital of Firstsource Dialog is LKR 106,700,010/00 and Firstsource Dialog has issued 46,10,520 ordinary shares.

Shareholding Pattern

Name of the shareholder	No. of equity shares held	Percentage of equity holding (%)
Firstsource Solutions Limited	34,11,785	74%
Dialog Axiata PLC	11,98,735	26%
Total	**46,10,520**	**100%**

There are no accumulated profits or losses of Firstsource Dialog not accounted for by our Company.

21. **Metromark Green Commodities Private Limited** ("**Metromark**")

Corporate Information

Metromark Green Commodities Private Limited was incorporated as private limited company on May 20, 2004 under the Companies Act, 2013 with the Registrar of Companies, West Bengal at Kolkata. Its corporate identity number in U51221WB2004PTC098581. Its registered office is situated at JL No. – 2, Plot No (Rs) – 1854, 1855, 1856 & 1865, Howrah – 711302, West Bengal, India.

Metromark is engaged in the business of construction of warehouses.

Capital Structure

The authorised share capital of Metromark is ₹4,00,00,000 divided into 40,00,000 equity shares of ₹ 10 each. The issued, paid up and subscribed equity share capital of Metromark is ₹2,82,00,000 divided into 28,20,000 equity shares of ₹10 each.

Shareholding Pattern

Name of the shareholder	No. of equity shares held	Percentage of equity holding (%)
Quest Properties India Limited	28,19,994	100.00
Quest Properties jointly with S. Talukdar	6	Negligible
Total	28,20,000	100.00

There are no accumulated profits or losses of Metromark not accounted for by our Company.

Our Associate Company

Nanobi Data and Analytics Private Limited ("**Nanobi**") is our associate (as defined under the Companies Act, 2013). Mentioned below are certain details in relation to Nanobi:

Corporate Information

Nanobi was incorporated as a private limited company on January 24, 2012 under Companies Act 1956. Its corporate identity number is U72200KA2012PTC062235. Its registered office is situated at 2nd Floor, 259, 2nd Main, 6th Cross, Indiranagar Stage 1, Bengaluru 560 038.

Nanobi is engaged in the business of developing analytics platform and solutions which is offered on a subscription basis to its customers.

Capital Structure

The authorised share capital of Nanobi is ₹ 6,00,00,000 divided into 50,00,000 equity shares of ₹ 10 each and 10,00,000 preference shares of ₹ 10 each. The issued equity and preference share capital of Nanobi is ₹ 3,59,39,330 divided into 27,55,228 equity shares of ₹ 10 each and 8,38,705 preference shares of ₹ 10 each, and the paid-up share capital of Nanobi is ₹ 3,58,75,700 divided into 27,48,865 equity shares of ₹ 10 each and 8,38,705 preference shares of ₹ 10 each.

Shareholding Pattern

Name of Shareholder	**No. of equity shares held**	**Percentage of equity holding (%)**
Mahesh Ramakrishnan	8,62,302	31.30%
Venkatakrishnan Ramakrishnan	2,25,000	8.17%
Iris Realty Private Limited	1,71,000	6.21%
Abhishek Purohit	1,61,363	5.86%
C V Vinod	1,61,363	5.86%
Dr. Jayaprakash	1,61,363	5.86%
Rajesh Hukku / Smriti Hukku	1,05,000	3.81%
Ramasubramanian Ravisankar	1,05,000	3.81%
Sumant Sarkar	1,05,000	3.81%
N R Kothandaraman	1,04,055	3.78%
J P Santhosh	72,185	2.62%
Anil Ramesh	59,500	2.16%
Gratian Perez/Conceia Perez	48,750	1.77%
Thomas Mathew/Neetha Mathew	48,750	1.77%
Deepa Manglani	45,000	1.63%
Deepak Mehta	41,250	1.50%
Joseph Nalkara	41,250	1.50%
Rakesh Sinha	33,277	1.21%
Zen Lefin Private Limited	29,000	1.05%
K.Gopalan	24,810	0.90%

Name of Shareholder	No. of equity shares held	Percentage of equity holding (%)
Lata Ramamurthi	20,760	0.75%
Pooja Svathi Mahesh	18,975	0.69%
Nisarg Joshi	18,015	0.65%
Rahul Arun	17,250	0.63%
Gayatri Balaji	12,560	0.46%
Bimal Prakash Gupta	11,000	0.40%
Anjana Paul / Paul Sebastine	10,000	0.36%
Subrata Majumdar	7,500	0.27%
Prashant Tyagi	5,250	0.19%
Sanjay Anandram	5,000	0.18%
Chandrasekhar Yadhav	3,700	0.13%
Anurag Tripathi	3,500	0.13%
N Menaka	2,500	0.09%
Rohan R Kamat	2,500	0.09%
K.R.Krishnamurthy	2,250	0.08%
S.V.Prasad	2,250	0.08%
Sudhanshu Verma	2,000	0.07%
Ranjit Singh	1,500	0.05%
Prashantha Nayaka A P	1,250	0.05%
Ravikumar	1,250	0.05%
Firstsource Solutions Limited	1,000	0.04%
Grand Total	**27,55,228**	**100.00%**

Class A preference shares (compulsorily convertible cumulative preference shares)		
Name of shareholder	**No. of preference shares held**	**Percentage of preference holding (%)**
Firstsource Solutions Ltd	3,75,884	100%

Class B preference shares (supplementary compulsorily convertible cumulative preference shares)

Name of shareholder	No. of preference shares held	Percentage of preference holding (%)
Firstsource Solutions Ltd	3,62,318	100%

Class C preference shares (compulsorily convertible cumulative preference shares)		
Name of shareholder	**No. of preference shares held**	**Percentage of preference holding (%)**
Firstsource Solutions Ltd	1,00,503	100%

Listing

Except, FSL, none of our Subsidiaries are listed in India or abroad.

Business Interest

Our Subsidiaries are not interested in the business of our Company.

Common pursuits

Our subsidiaries, Firstsource Process Management Services Limited and Firstsource- Dialog Solutions (Private) Limited also provide information technology related services. Accordingly, there is a potential conflict of interest between our Company and such Subsidiaries.

However, Firstsource-Dialog Solutions (Private) Limited’s operations are largely limited to Sri Lanka, while our Company does not have and does not currently plan on having operations in Sri Lanka.

Further, with respect to Firstsource Process Management Services Limited, since our Company’s operations are in conflict with interest with the business of Firstsource Process Management Services Limited, there may be instances wherein both Firstsource Process Management Services Limited and our Company are pursuing similar business opportunities and accordingly may compete with each other. Firstsource Process Management Services Limited was started primarily for providing information technology services to clients other than the Group, whereas the operations of our Company shall be near future be limited to providing information technology services to the power distribution and generation business of CESC and its subsidiaries. On account of expansion of activities by our Company of providing information technology related services to clients other than CESC and its subsidiaries, at a later point of time, there may be instance where the interests of our Company and Firstsource Process Management Services Limited are in conflict with each other.

Our management endeavours to undertake the expansion of our activities in such manner, so as to avoid any conflicts of interest situations with Firstsource Process Management Services Limited and Firstsource-Dialog Solutions (Private) Limited.

Other Confirmations

There has been no rescheduling of our borrowings from financial institutions.

Our Company does not have any strategic/financial partners. As on date of filing this Information Memorandum, other than pursuant to the Scheme there has been no acquisition of business, undertakings, mergers, amalgamations or revaluation of assets by our Company.

SCHEME OF ARRANGEMENT

Rationale as provided in the Scheme:

CESC Limited is the flagship company of the RP-Sanjiv Goenka Group. Pursuant to a scheme of arrangement and amalgamation approved by the Hon'ble High Courts of Calcutta and London, on 1 April 1978, CESC Limited took over the undertaking and assets, liabilities, reserves and surplus of The Calcutta Electric Supply Corporation (India) Limited, the erstwhile Sterling Company incorporated in 1897 which supplied electricity to the cities of Kolkata and Howrah and adjoining areas in accordance with the licence. Since 1978, CESC Limited has been distributing electricity in the aforementioned areas, being its core business. CESC Limited also has electricity generation business, inter alia supplying electricity to the licensed distribution business.

However, over the course of time, CESC Limited has grown into a diversified conglomerate having, through its subsidiaries, interests in various businesses including distribution franchisee business, renewable energy including wind, solar and hydro power stations / projects, retail, business process outsourcing, information technology, real estate and entertainment. While each of the above businesses may be subject to industry specific risks, business cycles and operate inter alia under different market dynamics, they have a significant potential for growth and profitability.

Given its diversified business, it has become imperative for CESC Limited to reorient and reorganize itself in a manner that allows imparting greater focus on each of its businesses. With this repositioning, CESC Limited is desirous of enhancing its operational efficiency. It will continue with its distribution business, with the generating stations currently supplying to the licensed distribution business continuing with such supply.

The Scheme proposes to reorganise and segregate the shareholdings of CESC Limited in various businesses and thus proposes demerger of Generation Undertaking (as defined under the Scheme), Retail Undertaking 1 and IT Undertaking from CESC Limited and Retail Undertaking 2 from Demerged Company 2 to the Resulting Companies. Further, the Scheme proposes the merger of Transferor Companies with and into Transferee Companies to rationalise and streamline the group structure.

The proposed restructuring pursuant to this Scheme is expected, inter alia, to result in following benefits:

(i) *segregation and unbundling of the generation, distribution, retail and business process outsourcing/ management business of the Demerged Companies into the Resulting Companies and the Transferee Companies, which will enable enhanced focus on the Demerged Companies and Resulting Companies for exploiting opportunities of each of the said companies;*

(ii) *unlocking of value for the shareholders of the Demerged Companies, attracting investors and providing better flexibility in accessing capital, focused strategy and specialisation for sustained growth;*

(iii) *further expanding the business of the Resulting Companies into growing markets of India, thereby creating greater value for the shareholders of the Resulting Companies;*

(iv) *augmenting the infrastructural capability of the Resulting Companies to effectively meet future challenges in their respective businesses;*

(v) *the demerger of the Demerged Undertakings to the Resulting Companies is a strategic fit for serving existing market and for catering to additional volume linked to new consumers;*

(vi) *synergies in operational process and logistics alignment leading to economies of scale for the Resulting Companies and creation of sectoral efficiencies and benefitting stakeholders as well as optimization of operation and capital expenditure; and*

(vii) *enhancing competitive strength, achieving cost optimisation, ensuring benefits through pooling of the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Resulting Companies and CESC Limited thereby significantly contributing to future growth and maximizing shareholders' value.*

The proposed restructuring is in the interest of the shareholders, creditors, employees, and other stakeholders in each of the companies. At the same time, the proposed restructuring does not in any manner undermine and/or prejudice the interests of the consumers of the licensed distribution business of CESC Limited.

The salient features of the Scheme are as follows:

(a) Part V, of the Scheme provides for demerger and vesting of the IT Undertaking of CESC Limited with the Company;

(b) The Appointed Date for Part V of the Scheme is October 1, 2017.

(c) The Scheme approved by the Tribunal shall be effective from the Appointed Date but shall be operative from the Effective Date (as defined in the Scheme).

(d) Immediately on the Scheme becoming effective and with effect from the opening of business hours on the Appointed Date, subject to other provisions of the Scheme and applicable law, the IT Undertaking along with all its assets, liabilities, investments, contracts, arrangements, employees, permits, licences, records, approvals, etc. shall, without any further act, instrument or deed, be demerged from CESC Limited and transferred to and be vested in or be deemed to have been vested in our Company as a going concern, so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, permits, licenses, records, approvals, etc. of our Company.

(e) Immediately on the Scheme becoming effective and with effect from the opening of business hours on the Appointed Date, subject to other provisions of the Scheme and applicable law, Spen Liq Private Limited shall stand amalgamated with our Company as a going concern and all assets, liabilities, contracts, arrangements, employees, permits, licences, records, approvals, etc. of Spen Liq Private Limited shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in our Company, so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, permits, licenses, records, approvals, etc. of our Company.

(f) The Scheme further provides that in consideration of the demerger of the IT Undertaking and transfer and vesting thereof with our Company, the Company shall allot 2 (two) fully paid up equity shares of ₹10 (Indian Rupees Ten) each for every 10 equity shares of CESC Limited held by a shareholder whose name is recorded in the register of members and records of the depository as members of CESC Limited on the Record Date.

The IT Undertaking

The IT Undertaking being transferred to our Company pursuant to the Scheme means all the business and undertaking of CESC Limited engaged, *inter alia*, in owning, operating and promoting business in the field of information technology, business process management and such other ventures in relation to and identified as pertaining to the IT Undertaking and shall include ancillary and support services in relation to the same, and shall include (without limitation):

(a) investments of CESC Limited in Spen Liq Private Limited and Quest Properties India Limited;

(b) all the movable and immovable properties, tangible or intangible, including all computers and accessories, software, applications and related data, equity shares, preference shares and other securities of associate/ subsidiary/ joint venture companies, plant and machinery, equipment, furniture, fixtures, vehicles, stocks and inventory, leasehold assets and other properties, real, corporeal and incorporeal, in possession or reversion, present and contingent assets (whether tangible or intangible) of whatsoever nature, assets including cash in hand, amounts lying in the banks, investments, escrow accounts, claims, powers, authorities, allotments, approvals, consents, letters of intent, registrations, contracts, engagements, arrangements, rights, credits, titles, interests, benefits, advantages, freehold, leasehold rights, brands, sub-letting tenancy rights, leave and license permissions, goodwill, other intangibles, industrial and other licenses, approvals, Permits, authorisations, trademarks, trade names, patents, patent rights, copyrights, and other industrial and intellectual properties and rights of any nature whatsoever including know-how, websites, portals, domain names, or any applications for the above, assignments and grants in respect thereof, import quotas and other quota rights, right to use and avail of telephones, telex, facsimile, email, internet, leased lines and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever, provisions, funds, and benefits (including all work-in progress), of all agreements, arrangements, deposits, advances, recoverable and receivables, whether from government, semi-government, local authorities or any other Person including customers, contractors or other counter parties, etc., all earnest monies and/ or deposits, privileges, liberties, easements, advantages, benefits, exemptions, licenses, privileges and approvals of whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession or control of or vested in or granted in favour of or enjoyed by CESC Limited in relation to and pertaining to the information technology business;

(c) all receivables, loans and advances, including accrued interest thereon, all advance payments, earnest monies and/ or security deposits, payment against warrants, if any, or other entitlements of CESC Limited in relation to and pertaining to the information technology business;

(d) all the debts, liabilities, duties and obligations including contingent liabilities of CESC Limited in relation to and pertaining to the information technology business; and

(e) all books, records, files, papers, engineering and process information, records of standard operating procedures, computer programs along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the information technology business of CESC Limited.

The Scheme clarifies that any question as to whether or not a specified asset or liability pertains to the IT Undertaking or arises out of the activities or operations of IT Undertaking shall be decided by CESC Limited.

Approvals with respect to the Scheme of Arrangement

The NCLT vide its Order dated March 28, 2018, subject to the conditions set out therein, has sanctioned the Scheme of Arrangement. In accordance with the said Scheme, the equity shares of our Company issued subject to applicable regulations shall be listed and admitted to trading on the BSE, CSE and NSE. Such listing and admission for trading is not automatic and will be subject to such other terms and conditions as may be prescribed by the Stock Exchanges at the time of application by our Company seeking listing.

OUR MANAGEMENT

Subject to the provisions of the Companies Act, 2013 and our Articles of Association, the number of Directors on our Board shall not be less than 3 (three) and not more than 15, provided that our Company may appoint more than 15 Directors after passing a special resolution.

As on the date of this Information Memorandum, our Board comprises of six Directors, out of which three are Independent Directors, including a woman Director. The composition of the Board of Directors is in compliance with Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations.

Board of Directors

The following table sets forth details of our Board as of the date of filing of this Information Memorandum with the Stock Exchanges:

Name, designation, DIN, occupation, term and period of directorship	Date of birth and age (in years)	Address	Directorship in other companies
Sanjiv Goenka DIN: 00074796 Designation: Chairman and Non-executive director (Additional)* Occupation: Industrialist Term: Liable to retire by rotation Period of directorship: Since November 14, 2018	January 29, 1961 57	19, Dr. Rama Prasad Goenka Sarani, Belvedere Road, Alipore, Kolkata 700 027	• Saregama India Limited; • Phillips Carbon Black Limited; • CESC Limited; • Firstsource Solutions Limited; • Spencer International Hotels Limited; • Haldia Energy Limited; • Spencer and Company Limited; and • Spencer’s Retail Limited (formerly RP-SG Retail Limited).
Shashwat Goenka DIN: 03486121 Designation: Non-executive Director (Additional)* Occupation: Industrialist Term: Liable to retire by rotation Period of directorship: Since November 14, 2018	April 12, 1990 28	19, Dr. Rama Prasad Goenka Sarani, Belvedere Road, Alipore, Kolkata 700 027	• Phillips Carbon Black Limited; • Firstsource Solutions Limited; • Spencer International Hotels Limited; • Indian Chamber of Commerce Calcutta; • Retailers Association of India; and • Spencer’s Retail Limited (formerly RP-SG Retail Limited).
Suhail Sameer DIN: 07238872 Designation: Wholetime Director (Additional)* Occupation: Professional Term and period of directorship: 3 years from November 14, 2018	May 17, 1983 35	H.NO. G-222, Palam Vihar, Near Ansal Plaza Mall, Chom A (62) Gurgaon, Carlerpun 122017, Haryana	• Apricot Foods Private Limited; and • Hw Wellness Solutions Private Limited

Name, designation, DIN, occupation, term and period of directorship	Date of birth and age (in years)	Address	Directorship in other companies
Grace Koshie Designation: Independent Director (Additional)* DIN: 06765216 Occupation: Retired banking professional Term and period of directorship: 5 years from November 14, 2018	December 14, 1952 65	A705, Pearl Rajhans Dreams Stella Barampur, Vasai, Bassein Road, Palghar, Thane 401202, Maharashtra, India	• Firstsource Solutions Limited; and • The Federal Bank Limited.
K. Jairaj Designation: Independent Director (Additional)* DIN: 01875126 Occupation: Retired IAS Officer Term and period of directorship: 5 years from November 14, 2018	May 25, 1952 66	No. 32, 5th B Cross Road, BTM Layout, 2nd stage, Bangalore 560076, Karnataka, India	• CESC Limited; • Adani Transmission Limited; • Neo Foods Private Limited; • Maharashtra Eastern Grid Power Transmission Company Limited; • Adani Transmission (India) Limited; • Sembcorp Energy India Limited; and • Adani Electricity Mumbai Limited.
Arjun Kumar Designation: Independent Director (Additional)* DIN: 00139736 Occupation: Industrialist Term and period of directorship: 5 years from November 14, 2018	February 1, 1970 48	2, Middleton Mansions, 9/1, Middleton Street, Kolkata 700 071, West Bengal, India	• Block Mines Private Limited • Naresh Kumar & Company Pvt. Ltd.

**Appointed as an additional director pursuant to resolutions of our Board on November 14, 2018. Subject to regularisation at the next annual general meeting of our Company.*

Brief profile of our Directors

Sanjiv Goenka is the Chairman and Non-Executive Director (Additional) of our Company. He the Chairman of the RP- Sanjiv Goenka Group, was the youngest-ever President of the Confederation of Indian Industry (CII). He is the Chairman of the Board of Governors of the Indian Institute of Technology, Kharagpur (IIT-KGP) and also Chairs the International Management Institute, Delhi, Bhubaneswar and Kolkata. He is a Trustee in India Brand Equity Foundation (IBEF), Ministry of Commerce and Industry, Government of India w.e.f. September 2018. He was a former President of All India Management Association (AIMA). He was conferred Indian Business Leader of the Year at Belfast Global India Business Meet in 2013, Banga Bibhushan Award for his contribution to the state of West Bengal, and Distinguished Fellowship Award of Institute of Director, India at their 16th London Global Convention, 2016. He is ranked No. 18 in India Today's list of 50 Most powerful people in India in 2018. He has graduated with a commerce degree from St. Xavier's College, Kolkata.

Shashwat Goenka is a Non-Executive Director (Additional) of our Company. He is the executive member of National Executive Council, Federation of Indian Chambers of Commerce and Industry, Co-Chair, FICCI Retail & Internal Trade Committee and Chair, CII National Retail Committee. He was also the President of Indian Chamber of Commerce, Calcutta. He graduated from The Wharton School of Business, University of Pennsylvania, Philadelphia, with a Bachelor of Science in economics, specializing in finance, marketing and management. He also serves as a director on the board of Phillips Carbon Black Limited, Firstsource Solutions Limited and Retailers Association of India.

Suhail Sameer is the Wholetime Director (Additional) of our Company. He holds a bachelor's degree in electrical engineering from the Delhi College of Engineering, a master's degree in business administration from IIM, Lucknow. He has extensive experience working across consumer, energy, cleantech, and institutional investing spaces. He had worked for over 8 years at Mckinsey & Company and had led Mckinsey's cleantech practice in South Asia, its power practice in India and had also co-led its institutional investing practice for Asia. In the past he was the chief executive office Guiltfree Industries Limited.

Grace Koshie is an Independent Director (Additional) of our Company. She holds a post graduate degree in economics with specialization in econometrics and monetary economics. Having joined the Reserve Bank of India in 1976 as an officer in Grade B, she has had over 36 years of experience in the Reserve Bank of India, having held charge of the Reserve Bank of India's Foreign Exchange Department and also having served as Secretary to the Reserve Bank of India's Central Board. She has served as RBI's nominee director on the boards of Dena Bank and Corporation Bank and is serving as an independent director of Federal Bank.

K. Jairaj is an Independent Director (Additional) of our Company. He holds a bachelor's degree in arts from Bangalore University, a master's degree in arts from the Delhi School of Economics and master's degree in public affairs from the Woodrow Wilson School of Public and International Affairs, Princeton University and a master's degree in public administration from the Kennedy School of Government, Harvard University (where we was the Edward S. Mason Fellow). Having been a member of the 1976 batch of the Indian Administration Services, he retired as the Additional Chief Secretary to Government of Karnataka. He has held distinguished appointments in the infrastructure, energy, transport and urban development sectors. He has also served with the World Bank, as senior public sector management specialist. He has also served as president of the All India Management Association and has served on the board of governors of IIM, Bangalore and IIM, Kasipur.

Arjun Kumar is an Independent Director (Additional) of our Company. He holds a bachelor's degree in physics from the Homerton College, University of Cambridge. Having joined his family's business, namely, Naresh Kumar & Company Pvt. Ltd. in 1992, has served as its managing director since 2000. During his tenure as the managing director of Naresh Kumar & Company Pvt. Ltd., he has been instrumental in *inter alia* the conclusion of the amalgamation of eight firms into Naresh Kumar & Company Pvt. Ltd., implementation of SAP and total computerization of accounts and MIS and in building an asset block of vehicles, loaders, excavator and such equipment worth over ₹150 crore which can be deployed as per the needs of clients.

Relationship between Directors

Other than Sanjiv Goenka and Shashwat Goenka, who are father and son respectively, none of our Directors are related to each other or to any of the Key Managerial Personnel.

Details of directorship in companies suspended or delisted

None of our Directors is or was a director of any listed company, whose shares are or were suspended from being traded on any stock exchange during the last five years prior to the date of this Information Memorandum, during the term of her/his directorship in such company.

None of our Directors is, or was, a director of any listed company, which has been or was delisted from any stock exchange, during the term of her/his directorship in such company.

Arrangement or understanding with major Shareholders, customers, suppliers or others

None of our Directors have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Service contracts with Directors

There are no service contracts entered into between any of our Directors and our Company for provision of any benefits upon termination of directorship.

Details of remuneration for our Directors

(a) Terms of appointment of our Whole-Time Director

In terms of the Resolution passed by the Board of Directors of the Company at its meeting held on November 14, 2018, an appointment letter of even date has been issued to Mr. Suhail Sameer as the Wholetime Director of the Company with a basic salary of Rs. 12,00,000 per month along with applicable benefits and perquisites aggregating to ₹4,40,00,000 per annum as the total cost to the Company.

No remuneration was paid to our Wholetime Director in Fiscal 2018.

(b) Terms of appointment of our Independent Directors

Pursuant to a resolution of the Board dated November 14, 2018, our Independent Directors are entitled to receive sitting fees of ₹ 1,00,000 for attending each meeting of our Board and the committees constituted of the Board. Further, our Independent Directors may be paid commission and reimbursement of expenses as permitted under the Companies Act, 2013 and the rules framed thereunder.

Our Company did not have any Independent Directors in Fiscal 2018. Accordingly, no remuneration was paid to our Independent Directors in Fiscal 2018.

(c) Terms of appointment of our Non-executive Directors (other than Independent Directors)

Pursuant to a resolution of the Board dated November 14, 2018, our Non-Executive Directors (other than Independent Directors) are entitled to receive sitting fees of ₹ 1,00,000 for attending each meeting of our Board and the committees constituted of the Board. Further, our Non-Executive Directors (other than Independent Directors) may be paid commission and reimbursement of expenses as permitted under the Companies Act, 2013 and the rules framed thereunder.

There was no remuneration paid to our Non-Executive Directors (other than Independent Directors) in Fiscal 2018.

Bonus or profit-sharing plan for our Directors

None of our Directors are party to any bonus or profit-sharing plan of our Company.

Payment or benefit to Directors of our Company

No amount or benefit has been paid or given within the two preceding years from the date of this Information Memorandum or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered in the capacity of being a Director.

Shareholding of our Directors in our Company

Our Articles do not require our Directors to hold any qualification shares.

Except as disclosed in the section titled "*Capital Structure*" on page 28, none of our Directors hold any Equity Shares in our Company.

Borrowing Powers of the Board

In accordance with our Articles of Association and subject to the provisions of the Companies Act, 2013, the Board may, from time to time, at its discretion, by a resolution passed at a meeting of the Board, borrow any sum of money for the purpose of our Company and the Board may secure repayment of such money in such manner and upon such terms and conditions in all respects as it thinks fit. Pursuant to a resolution of the shareholders of our Company dated October 29, 2018, in accordance with Section 180 of the Companies Act, 2013, the Board is authorised to borrow up to an amount ₹ 1,000 crores in excess of the aggregate of the paid up capital and free reserves of our Company and for creation of charge/providing security for the sum borrowed on the assets of our Company.

Other Confirmations

Our Directors may be regarded as interested in the Equity Shares held by them, if any. Sanjiv Goenka and Shashwat Goenka may also be deemed to be interested to the extent of any dividends payable to them and other distributions in respect of the Equity Shares.

Further, our Directors have no interest in any property acquired or proposed to be acquired of or by our Company or in any transactions relating to acquisition of land, construction of building and supply of machinery.

No loans have been availed by our Directors or Key Managerial Personnel from our Company.

Our Company has not instituted an employee stock option plan.

Except Sanjiv Goenka and Shashwat Goenka, none of our Directors are interested in the promotion or formation of our Company.

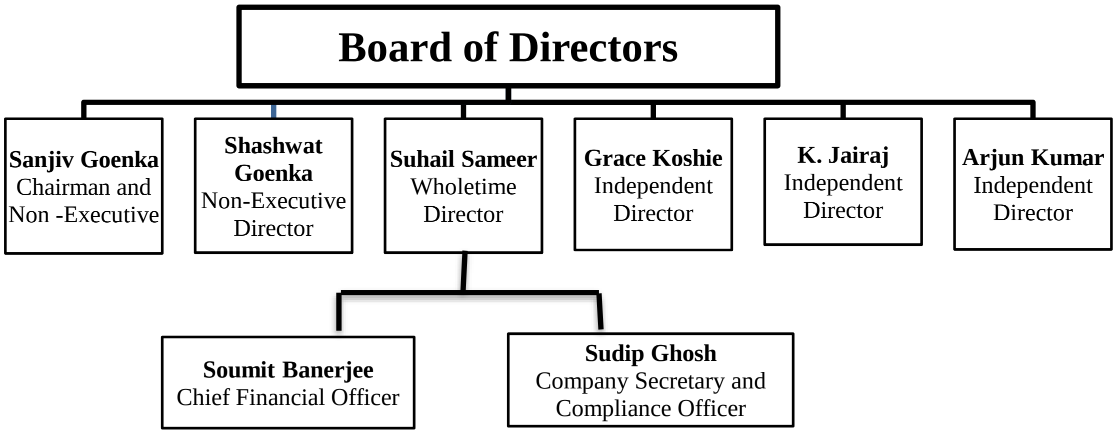
Except Sanjiv Goenka and Shashwat Goenka, none of our Directors are directors on the board of our Subsidiaries or Associate Company. Accordingly, Sanjiv Goenka and Shashwat Goenka are interested additionally to the remuneration paid or payable by the relevant Subsidiary or Associate Company, as applicable.

Our Company has not made any payments in cash or shares or otherwise to any of our Directors or to firms or companies in which any of our Directors are interested as members or promoters nor has any Directors been offered any inducements to become interested in any firm or company, in connection with the promotion or formation of our Company.

Change in our Board in the last three years:

Name	Designation	Date of appointment/cessation	Reason
Sanjiv Goenka	Chairman and non-executive Director (Additional)	November 14, 2018	Appointment
Shashwat Goenka	Non-executive Director (Additional)	November 14, 2018	Appointment
Grace Koshie	Independent Director (Additional)	November 14, 2018	Appointment
K. Jairaj	Independent Director (Additional)	November 14, 2018	Appointment
Arjun Kumar	Independent Director (Additional)	November 14, 2018	Appointment
Suhail Sameer	Wholetime Director (Additional)	November 14, 2018	Appointment
Rajendra Jha	Non-Executive Director	November 14, 2018	Cessation
Subhasis Mitra	Non-Executive Director	November 27, 2018	Cessation
Utpal Bhattacharya	Non-Executive Director	November 14, 2018	Cessation

Management organisation structure



Key Managerial Personnel

In addition to our Wholetime Director (Additional), the details of our Key Managerial Personnel are as follows:

Soumit Banerjee, is the chief financial officer of our Company. He is a Chartered Accountant with about three decades of work experience in finance related functions. He was a manager (finance) at CESC, having joined CESC in 2007. He was appointed our chief financial officer on November 14, 2018.

Sudip Ghosh is the Company Secretary and Compliance Officer of the Company. He is an associate member of the Institute of Company Secretaries of India, associate member of the Institute of Chartered Accountants of India and is an associate member of the Institute of Cost Accountants of India. He has been with associated with the Group since 1993 and has over 25 years of experience in finance and secretarial matters. He was appointed as our Company Secretary and Compliance Officer on November 14, 2018.

None of our Key Managerial Personnel received any remuneration from our Company in Fiscal 2018.

Relationship of Key Managerial Personnel

None of our Key Managerial Personnel are related to each other.

Arrangement or understanding with major Shareholders, customers, suppliers or others

None of our Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Shareholding of the Key Managerial Personnel

As on the date of this Information Memorandum, none of the Key Managerial Personnel holds any Equity Shares of our Company.

Change in our Key Managerial Personnel in the last three years

Name	Designation	Date of appointment/cessation	Reason
Suhail Sameer	Wholetime Director	November 14, 2018	Appointment
Soumit Banerjee	Chief Financial Officer	November 14, 2018	Appointment
Sudip Ghosh	Company Secretary and Compliance Officer	November 14, 2018	Appointment

Service contracts with Key Managerial Personnel

There are no service contracts entered into between any of our Key Managerial Personnel and our Company for provision of any benefits upon termination of employment.

Bonus or profit-sharing plan for our Key Managerial Personnel

None of our Key Managerial Personnel are party to any bonus or profit-sharing plan of our Company.

Payment or benefit to Key Managerial Personnel of our Company

No amount or benefit has been paid or given within the two preceding years from the date of this Information Memorandum or is intended to be paid or given to any of our Key Managerial Personnel except the normal remuneration for services rendered in the capacity of being an employee.

Corporate Governance

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations and the Companies Act, 2013, in respect of corporate governance, including constitution of the Board and committees thereof.

Committees of the Board

In addition to the committees of our Board detailed below, our Board may, from time to time, constitute committees for various functions.

(i) ***Audit Committee***

The members of the Audit Committee are:

1. Arjun Kumar, *Chairman*
2. Sanjiv Goenka; and
3. Grace Koshi.

The Audit Committee was constituted by a meeting of the Board held on November 14, 2018. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations, and its terms of reference are as follows:

The role of the Audit Committee shall be as follows:

(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 Companies Act, 2013;

(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 partial year period 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;

Explanation: The term" related party transactions" shall have the same meaning as provided in Clause 2 (zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

(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, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(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 (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) 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 Companies Act, 2013 or by the SEBI Listing Regulations or by any other regulatory authority.

Further, the Audit Committee shall mandatorily review the following information:

(a) management discussion and analysis of financial condition and results of operations;

(b) statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;

(c) management letters /letters of internal control weaknesses issued by the statutory auditors of the Company;

(d) internal audit reports relating to internal control weaknesses;

(e) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and

(f) statement of deviations in terms of the SEBI Listing Regulations:
   (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and

   (ii) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice.

The powers of the Audit Committee shall include the following:

(a) To investigate activity within its terms of reference;
(b) To seek information from any employee of the Company;
(c) To obtain outside legal or other professional advice; and
(d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

(ii) ***Nomination and Remuneration Committee***

The members of the Nomination and Remuneration Committee are:

1. Arjun Kumar, *Chairman*;
2. Grace Koshi; and
3. Sanjiv Goenka.

The Nomination and Remuneration Committee was constituted by a meeting of the Board of Directors held on November 14, 2018. The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee are as follows:

(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 director, on the basis of the report of performance evaluation of independent directors;

(j) Perform such functions as are required to be performed by the compensation committee 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.

(iii) ***Stakeholders' Relationship Committee***

The members of the Stakeholders' Relationship Committee are:

1. Sanjiv Goenka, *Chairman;*
2. Suhail Sameer; and
3. Shashwat Goenka.

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on November 14, 2018. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee are as follows:

(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 Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

(iv) Corporate *Social Responsibility Committee*

The members of the Corporate Social Responsibility Committee are:

1. Shashwat Goenka, Chairman*;*
2. Suhail Sameer; and
3. Arjun Kumar.

The Corporate Social Responsibility Committee was constituted by our Board of Directors at their meeting held on November 14, 2018. The terms of reference of the Corporate Social Responsibility Committee of our Company are as per Section 135 of the Companies Act, 2013 and the applicable rules thereunder, and have been set out below:

(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 Companies 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.

OUR PROMOTERS, PROMOTER GROUP AND GROUP COMPANIES

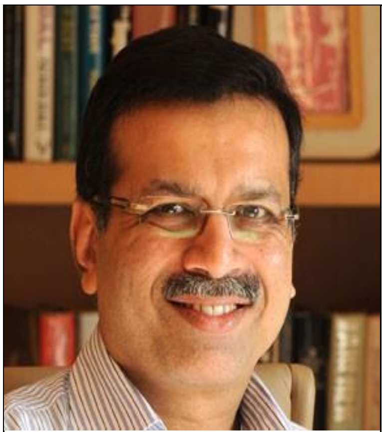
PROMOTERS

The Promoters of our Company are Sanjiv Goenka and Rainbow Investments Limited. As on the date of this Information Memorandum, Sanjiv Goenka holds 26,958 Equity Shares and Rainbow Investments Limited holds 1,17,59,326 Equity Shares, representing 0.10% and 44.36%, respectively, of the issued, subscribed and paid-up Equity Share capital of our Company.

Details of our Promoters

Individual Promoter

Sanjiv Goenka

	Sanjiv Goenka, aged 57 years, is one of our Promoters. Date of birth: January 29, 1961 Address: 19, Dr. Rama Prasad Goenka Sarani, Belvedere Road, Alipore, Kolkata 700 027, West Bengal, India. PAN No.: AEFPG4689G Aadhar Card No.: 6593 2441 5573 Driving License No.: WB-011979265374	Other directorships: • Saregama India Limited; • Phillips Carbon Black Limited; • CESC Limited; • Firstsource Solutions Limited; • Spencer International Hotels Limited; • Haldia Energy Limited; • Spencer and Company Limited; and • Spencer's Retail Limited (formerly RP-SG Retail Limited).

Sanjiv Goenka, the Chairman of the RP- Sanjiv Goenka Group, was the youngest-ever President of the Confederation of Indian Industry (CII). He is the Chairman of the Board of Governors of the Indian Institute of Technology, Kharagpur (IIT-KGP) and also Chairs the International Management Institute, Delhi, Bhubaneswar and Kolkata. He is a Trustee in India Brand Equity Foundation (IBEF), Ministry of Commerce and Industry, Government of India w.e.f. September 2018. He was a former President of All India Management Association (AIMA). He was conferred Indian Business Leader of the Year at Belfast Global India Business Meet in 2013, Banga Bibhushan Award for his contribution to the state of West Bengal, and Distinguished Fellowship Award of Institute of Director, India at their 16th London Global Convention, 2016. He is ranked No. 18 in India Today's list of 50 Most powerful people in India in 2018. He has graduated with a commerce degree from St. Xavier's College, Kolkata.

Corporate Promoter

Rainbow Investments Limited ("RIL")

Corporate Information and History

Rainbow Investments Limited was incorporated on May 2, 1988 under the Companies Act, 1956. The registered office of Rainbow Investments Limited is situated at Duncan House 31, Netaji Subhas Road, Kolkata 700 001, West Bengal, India. Rainbow Investments Limited is not listed on any stock exchanges.

As per its memorandum of association, Rainbow Investments Limited is *inter-alia* engaged in the business of making investments. There has been no change in the nature of its activities since incorporation.

Promoters of RIL

Sanjiv Goenka is the promoter of RIL. There has been no change in control of RIL. Sanjiv Goenka has held a controlling interest in RIL in three years preceding the date of this Information Memorandum.

Board of Directors

The following table sets forth details regarding the board of directors of RIL as on the date of this Information Memorandum:

- Subhrangshu Chakrabarti
- Bhanwar Lal Chandak
- Sunil Bhandari
- Trivikram Khaitan
- Surbhi Singhi

Financial Information

The summary audited standalone financial results of RIL for the last three Fiscals are as follows:

(*in ₹ crore, except per share data*)

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
Equity share capital	0.66	0.66	0.66
Reserves and surplus	615.99	540.05	519.21
Total Income	93.59	82.53	123.44
Profit / (loss) after tax	82.82	74.97	109.54
Basic earnings per share	1,244.80	1,122.50	1,651.15
Diluted earnings per share	1,244.80	1,122.50	1,651.15
NAV per equity share	9,376.60	8,221.80	7,904.88

There are no significant reservations, qualifications or adverse remarks of the auditors in relation to the aforementioned financial statements.

Capital Structure

The authorised share capital of RIL is ₹122,46,00,000 divided into 3,24,60,000 equity shares of ₹10 each and 90,00,000 preference shares of ₹100 each. The issued and subscribed equity share capital of RIL is ₹48,40,76,540 divided into 6,57,654 equity shares of ₹10 each and 47,75,000 preference shares of ₹100 each. The paid-up capital of RIL is ₹48,40,76,490 divided into 6,57,649 equity shares of ₹10 each and 47,75,000 preference shares of ₹100 each

Shareholding Pattern

The shareholding pattern of RIL with respect to its fully paid up equity shares as on the date of filing of this Information Memorandum is as follows:

Name of the shareholder	No. of equity shares held	Percentage of equity holding (%)
Sanjiv Goenka	149	0.02
Preeti Goenka	116	0.02
Sanjiv Goenka Trustee of Esgee Legacies Trust	1,000	0.15
Sanjiv Goenka Trustee of Esgee Apex Trust	3,35,400	51.00
Preeti Goenka Trustee of Esgee Legacies Trust	2,97,300	45.21
Alipore Towers Private Limited	6,917	1.05
Castor Investments Limited	9,583	1.46
Kutub Properties Private Limited	6,910	1.05
STEL Holdings Limited	271	0.04
Indra Kumar Bagri	2	0.00
R C Kurup	1	0.00
Total	**6,57,649**	**100.00**

The shareholding pattern of RIL with respect to its 2% non-convertible cumulative redeemable preference shares of ₹100 each as on the date of filing of this Information Memorandum is as follows:

Name of the shareholder	No. of equity shares held	Percentage of equity holding (%)
Phillips Carbon Black Limited	47,75,000	100

There has been no change in the control or management of RIL in the three years preceding the date of this Information Memorandum.

Changes in the Promoters

Our Company was incorporated on February 7, 2017, with CESC (through its subscription to our Memorandum of Association) being allotted 50,000 Equity Shares (including six Equity Shares held by six nominees of CESC), representing 100% of our Equity Share capital. Subsequently, on July 10, 2017, Haldia Energy Limited, a wholly owned subsidiary of CESC and one of our Group Companies, was allotted 57,50,00,000 Equity Shares at ₹10 each. Such Equity Shares subscribed by Haldia Energy Limited were thereafter transferred to CESC on September 21, 2017 at ₹10 each.

Sanjiv Goenka and RIL are the current Promoters of our Company pursuant to the Scheme. The pre-Scheme Equity Share capital of our Company held by CESC was cancelled on November 14, 2018, while Sanjiv Goenka and RIL were allotted Equity Shares in our Company on November 14, 2018.

However, despite there has been no change in the controlling interest of the Group in our Company since incorporation.

Interest of our Promoters

Interest of our Promoters in the promotion of our Company

Our Promoters are interested in our Company to the extent of their respective direct or indirect shareholding in our Company and the dividend declared, if any and any other distributions in respect of their direct or indirect shareholding in our Company. For further details, see *"Capital Structure"* on page 28.

Interest of our Promoter in the Property of our Company

Our Promoters do not have any interest whether direct or indirect in any property acquired by our Company, within three years preceding the date of this Information Memorandum or proposed to be acquired by our Company as on the date of this Information Memorandum or in any transaction for acquisition of land, construction of buildings and supply of machinery, etc.

Interest of our Promoters in our Company other than as Promoter

Further, except as stated in this section and *"Financial Statements*" at page 193, our Promoters do not have any interest in our Company other than as promoters.

Interest of our Promoters in our Company arising out of being a member of firm or company

Our Company has not made any payments in cash or shares or otherwise to any of our Promoters or to firms or companies in which any of our Promoters are interested as members or promoters nor has any Promoter been offered any inducements to become interested in any firm or company, in connection with the promotion or formation of our Company.

Common Pursuits of our Promoters with our Company

None of the business activities of our Promoters are similar to that of our Company.

Disassociation by our Promoters in the last three years

Our Promoters have not disassociated themselves from any significant venture during the three years preceding the date of filing of this Information Memorandum.

Payment or benefit to Promoters of our Company

No amount or benefit has been paid or given within the two preceding years from the date of this Information Memorandum or is intended to be paid or given to any of our Promoters or any member of our Promoter Group other than in the ordinary course of business.

Material guarantees

No material guarantees have been given to third parties by our Promoters with respect to Equity Shares of our Company.

PROMOTER GROUP

The relevant individuals and entities have been identified as members of our promoter group in accordance with SEBI ICDR Regulations.

GROUP COMPANIES

In terms of the SEBI ICDR Regulations, group companies, include such companies (other than promoter(s) and subsidiary(ies)): (i) with which the relevant company had related party transactions during the period for which financial information is disclosed in the Information Memorandum and Information Memorandum, as covered under the applicable accounting standards, and (ii) any other companies as considered material by the Board of Directors.

For the purposes of (ii) above, pursuant to Materiality Policy, a company shall be considered material and will be disclosed as a 'Group Company' in the Information Memorandum and the Information Memorandum if such company:

(i) is a member of the Promoter Group (other than the corporate Promoter and Subsidiaries); and
(ii) has entered into one or more transactions with the Company during the last completed financial year, which individually or cumulatively in value exceeds 10% of the total revenue of the Company for that financial year as per the standalone Financial Statements.

Basis the above, the Group Companies of our Company are as mentioned below:

Name of company	Interest of promoters	Nature of activities
CESC Limited	Sanjiv Goenka: 0.10% of CESC's equity share capital RIL: 44.36% of CESC's equity share capital	Generation and distribution of electricity
Haldia Energy Limited	No direct interest	Generation of electricity
Dhariwal Infrastructure Limited	No direct interest	Generation of electricity
Kota Electricity Distribution Limited	No direct interest	Distribution of electricity
Bikaner Electricity Supply Limited	No direct interest	Distribution of electricity
Bharatpur Electricity Services Limited	No direct interest	Distribution of electricity

Of the above Group Companies, CESC is the sole listed Group Company. Details of our top five Group Companies, including CESC and the top four unlisted Group Companies based on their respective total turnover in Fiscal 2018 are provided below

1. **CESC Limited ("CESC")**

Corporate Information

CESC Limited was incorporated as a public limited company on March 28, 1978 under the Companies Act, 1956 with the Registrar of Companies, West Bengal at Kolkata. Its corporate identity number is L31901WB1978PLC031411. Its registered office is situated at CESC House, Chowringhee Square, Kolkata 700 001, West Bengal, India.

CESC's equity shares are listed on the BSE, NSE and CSE and global depository receipts are listed on the Luxembourg Stock Exchange. CESC is engaged in the business of generation and distribution of electricity.

Interest of our Promoters

As on September 30, 2018, Sanjiv Goenka directly held 0.10% of CESC's equity share capital and RIL directly held 44.36% of CESC's equity share capital.

Financial Information

The following information has been derived from the financial statements of CESC for the last financial years (on a standalone basis):

(₹ in crore; except for earning per share data)

Particulars	As of March 31, 2018* /For Fiscal 2018* (as applicable)	As of March 31, 2017$ / For Fiscal 2017$ (as applicable)	As of March 31, 2016$ /For Fiscal 2016$ (as applicable)
Equity Capital	133.22	133.22	133.22
Other Equity	9,314.47	13,190.53	12,867.83
Revenue from operations and other income	7,953.78	7,366.63	6,923.79
Profit/(Loss) after tax	861.71	862.86	845.13
Basic earnings per share	65.01	65.09	63.75
Diluted earnings per share	65.01	65.09	63.75
Net asset value per share	712.73	1,005.13	980.79

** as per audited financial statements for Fiscal 2018.*
$ as per audited financial statements for Fiscal 2017 as per Ind-AS.

There are no significant reservations, qualifications or adverse remarks of the auditors in relation to the aforementioned financial statements for the last three years.

Share price information

The equity shares of CESC are listed on BSE, CSE and NSE.

The details of the highest and lowest price on BSE during the preceding six months are as follows:

Month	Monthly high *(in ₹)*	Monthly low *(in ₹)*
December, 2018	735.00	651.45
November, 2018	705.75	670.00
October, 2018	950.00	643.05
September, 2018	1,038.55	804.75
August, 2018	1,029.95	880.20
July, 2018	959.90	870.00

(Source: www.bseindia.com)

The details of the highest and lowest price on the CSE during the preceding six months are as follows: There was no trading of the equity shares of CESC on the CSE during the last six months.

The details of the highest and lowest price on NSE during the preceding six months are as follows:

Month	Monthly high *(in ₹)*	Monthly low *(in ₹)*
December, 2018	732.80	651.10
November, 2018	705.90	668.50

Month	Monthly high *(in ₹)*	Monthly low *(in ₹)*
October, 2018	948.35	642.00
September, 2018	1,038.85	803.25
August, 2018	1,029.75	900.05
July, 2018	959.45	870.00

(Source: https://www.nseindia.com/)

The closing share price of CESC as on January 17, 2019 on BSE was ₹685.00.

The closing share price of CESC as on January 17, 2019 on NSE was ₹686.15.

Investor grievances

As on December 31, 2018, CESC had one pending unresolved investor grievance which was resolved on January 7, 2019.

2. Haldia Energy Limited ("Haldia")

Corporate Information

Haldia Energy Limited was incorporated as a private limited company by the name of RPG-Norwest Mine Services Private Limited on September 29, 1994 under the Companies Act, 1956 with the Registrar of Companies, West Bengal at Kolkata. The name of the Company was subsequently changed to Haldia Energy Private Limited on December 20, 2006. Haldia Energy Private Limited was converted into a public company on January 31, 2011. Its corporate identity number is U74210WB1994PLC066154. Its registered office is situated at Barick Bhawan, Sixth Floor, 8 Chittaranjan Avenue, Kolkata 700 072, West Bengal, India.

Haldia's securities are not listed on any stock exchange. Haldia is engaged in the business of generation of electricity.

Interest of our Promoters

Haldia is a wholly owned subsidiary of CESC. Our Promoters do not have any direct shareholding in Haldia

Financial Information

The following information has been derived from the financial statements of Haldia for the last three audited financial statements:

(₹ in crore; except for earning per share data)

Particulars	As of March 31, 2018 /For Fiscal 2018 (as applicable)	As of March 31, 2017 / For Fiscal 2017 (as applicable)	As of March 31, 2016 /For Fiscal 2016 (as applicable)
Equity Capital	1,203.44	1,203.44	1,203.44
Other Equity	751.42	439.08	142.95
Revenue from operations and other income	2,260.91	2,045.03	1,725.25
Profit/(Loss) after tax	313.13	296.51	233.21
Basic earnings per share	2.60	2.46	2.25
Diluted earnings per share	2.60	2.46	2.25
Net asset value per share	16.24	13.65	11.19

There are no significant reservations, qualifications or adverse remarks of the auditors in relation to the aforementioned financial statements for the last three years.

3. Dhariwal Infrastructure Limited ("Dhariwal")

Corporate Information

Dhariwal Infrastructure Limited was incorporated as a private limited company on October 3, 2006 under the Companies Act, 1956 with the Registrar of Companies, West Bengal at Kolkata and was converted into a public limited company on February 22, 2010. Its corporate identity number is U70109WB2006PLC111457. Its registered office is situated at CESC House, Chowringhee Square, Kolkata 700 001, West Bengal, India.

Dhariwal's securities are not listed on any stock exchange. Dhariwal is engaged in the business of generating electricity.

Interest of our Promoters

Dhariwal is a wholly owned subsidiary of CESC. Our Promoters do not have any direct shareholding in Dhariwal.

Financial Information

The following information has been derived from the financial statements of Dhariwal for the last three audited financial statements:

(₹ in crore; except for earning per share data)

Particulars	As of March 31, 2018 /For Fiscal 2018 (as applicable)	As of March 31, 2017 / For Fiscal 2017 (as applicable)	As of March 31, 2016 /For Fiscal 2016 (as applicable)
Equity Capital	2,082.77	1,275.77	1,175.77
Other Equity*	(1,566.42)	(560.52)	(883.27)
Revenue from operations and other income	896.15	509.13	150.32
Profit/(Loss) after tax	(198.58)	(483.90)	(556.90)
Basic earnings per share	(1.17)	(4.03)	(5.27)
Diluted earnings per share	(1.18)	(4.03)	(5.27)
Net asset value per share *	2.48	5.61	2.49

**Includes share application money.*

There are no significant reservations, qualifications or adverse remarks of the auditors in relation to the aforementioned financial statements for the last three years.

4. Kota Electricity Distribution Limited ("Kota Electricity")

Corporate Information

Kota Electricity Distribution Limited was incorporated as a private limited company by the name of Sheesham Commercial Private Limited on May 3, 2012 under the Companies Act, 1956 with the Registrar of Companies, West Bengal at Kolkata. The name of the Company was subsequently changed to Kota Electricity Distribution Private Limited on June 2, 2016 and was further converted into a public company. Its Corporate Identity Number is U40100WB2012PLC181283. Its registered office is situated at CESC House, Chowringhee Square, Kolkata 700 001, West Bengal, India.

Kota Electricity's securities are not listed on any stock exchange. Kota Electricity is engaged in the business of distribution of electricity.

Interest of our Promoters

Kota Electricity is a wholly owned subsidiary of CESC. Our Promoters do not have any direct shareholding in Kota Electricity.

Financial Information

The following information has been derived from the financial statements of Kota Electricity for the last three audited financial statements:

(₹ in crore; except for earning per share data)

Particulars	As of March 31, 2018 /For Fiscal 2018 (as applicable)	As of March 31, 2017 / For Fiscal 2017 (as applicable)	As of March 31, 2016 /For Fiscal 2016 (as applicable)
Equity Capital	264.08	0.05	0.01
Other Equity*	(120.32)	4.32	(0.25)
Revenue from operations and other income	717.81	334.95	0.01
Profit/(Loss) after tax	(84.64)	(35.43)	0.00
Basic earnings per share	(38.41)	(7,958.91)	0.89
Diluted earnings per share	(38.41)	(7,958.91)	0.89
Net asset value per share*	5.44	873.22	(240.90)

**Includes share application money.*

There are no significant reservations, qualifications or adverse remarks of the auditors in relation to the aforementioned financial statements for the last three years.

5. Bikaner Electricity Supply Limited ("Bikaner Electricity")

Corporate Information

Bikaner Electricity Supply Limited was incorporated as a private limited company by the name of Water Hyacinth Commosale Private Limited on May 5, 2012 under the Companies Act, 1956 with the Registrar of Companies, West Bengal at Kolkata. Its name was subsequently changed to Bikaner Electricity Supply Private Limited on February 17, 2017. It was converted into a public limited company on February 24, 2017. Its corporate identity number is U40100WB2012PLC181372. Its registered office is situated at CESC House, Chowringhee Square, Kolkata 700 001, West Bengal, India.

Bikaner's securities are not listed on any stock exchange. Bikaner is engaged in the business of distribution of electricity.

Interest of our Promoters

Bikaner Electricity is a wholly owned subsidiary of CESC. Our Promoters do not have any direct shareholding in Bikaner Electricity.

Financial Information

The following information has been derived from the financial statements of Bikaner Electricity for the last three audited financial statements:

(₹ in crore; except for earning per share data)

Particulars	As of March 31, 2018 /For Fiscal 2018 (as applicable)	As of March 31, 2017 / For Fiscal 2017 (as applicable)	As of March 31, 2016 /For Fiscal 2016 (as applicable)
Equity Capital	42.05	0.05	0.01
Other Equity*	(31.83)	1.81	(0.08)
Revenue from operations and other income	398.15	0.19	-
Profit/(Loss) after tax	(31.63)	(0.12)	(0.00)
Basic earnings per share	(262.27)	(72.96)	(4.16)
Diluted earnings per share	(262.27)	(72.96)	(4.16)
Net asset value per share*	2.43	371.48	(66.50)

**Includes share application money.*

There are no significant reservations, qualifications or adverse remarks of the auditors in relation to the aforementioned financial statements for the last three years.

Other confirmations

None of our Group Companies have made a public issue in the three years preceding the date of this Information Memorandum. Further, CESC, our listed Group Company has not made a rights issue in the three years preceding the date of this Information Memorandum.

None of our Group Companies fall under the definition of sick industrial companies under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985, and have not been declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016. Further no winding up, insolvency or bankruptcy proceedings have been initiated against any Group Company.

As on the date of this Information Memorandum, none of our Group Companies have been a defunct company nor has there been an application made to the registrar of companies for striking off any Group Company's name.

None of the business activities of our Group Companies are similar to that of our Company, accordingly there are no conflicts of interest or common pursuits.

CESC, our Group Company has through its letter dated January 25, 2017 granted the non-objection to our Company using the premises of our Registered Office. Except as mentioned above, no Group Company is not interested in any property acquired by our Company within the last three years or proposed to be acquired by our Company.

Our Group Companies do not have any interest in any transaction in acquisition of land, construction of building and supply of machinery, etc. in relation to our Company.

Our Group Companies have not provided any loans to our Company (on a standalone basis) which are outstanding as of date.

Except that CESC was the original promoter of our Company, none of our Subsidiaries, Group Companies or our Associate Company have any interest in the promotion of our Company.

Further, except as disclosed in the section "*Financial Statements*" at page 193, none of our Group Companies have any business interests in or have had any transactions with our Company. None of our Subsidiaries or our Associate Company have any business interest in or have had any transactions with our Company.

Our Company continues to receive revenue from CESC and its subsidiaries and our Company is dependent on such revenue. For further details see "*Our Business*" at page 74. Except the transactions generating such revenue, there are no transactions between our Company and our Subsidiaries/Group Companies which are significant to the performance of our Company.

RELATED PARTY TRANSACTIONS

For details of related party transactions of our Company on a consolidated basis, see "*Financial Statements*" on page 193.

DIVIDEND POLICY

As on the date of this Information Memorandum, our Company does not have a formal dividend policy. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act.

The dividend, if any, will depend on a number of factors, including but not limited to our earnings, capital requirements, contractual obligations, results of operations, financial condition, cash requirements, business prospects and any other financing arrangements, applicable legal restrictions and overall financial position of our Company. Our Board may also, from time to time, declare interim dividends from the profits of the Financial Year in which such interim dividend is sought to be declared. In addition, our ability to pay dividends may be impacted by restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

Our Company has not declared any dividend on the Equity Shares, since its incorporation.

SECTION VI FINANCIAL INFORMATION

FINANCIAL STATEMENTS

BATLIBOI, PUROHIT & DARBARI
Chartered Accountants

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Fax No. : (033) 2243 5861
E-mail : batliboi_ca@yahoo.com
7, WATERLOO STREET, 1st FLOOR
KOLKATA - 700 069

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
CESC Ventures Limited (formerly RP -SG Business Process Services Limited)

Opinion

We have audited the accompanying interim standalone Ind AS financial statements of CESC Ventures Limited (formerly RP -SG Business Process Services Limited) ("the Company"), which comprise the interim standalone Balance Sheet as at September 30, 2018, and the interim standalone Statement of Profit and Loss, including other comprehensive income, interim standalone Cash Flow Statement and the interim standalone Statement of Changes in Equity for the 6-month period then ended, and notes to the interim standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim standalone Ind AS financial statements give a true and fair view in conformity with the accounting principle generally accepted in India including the Indian Accounting Standard (Ind AS) 34 specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended:

(a) in the case of the interim standalone Balance Sheet, of the state of affairs of the Company as at September 30, 2018;

(b) in the case of the interim standalone Statement of Profit and Loss including other comprehensive income, of the profit for the six-month period ended on that date;

(c) in the case of the interim standalone Cash Flow Statement, of the cash flows for the six-month period ended on that date; and

(d) in the case of the interim standalone Statement of Changes in Equity, of the changes in equity for the six-month period ended on that date.

Basis for Opinion

We conducted our audit of the interim standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Interim 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the interim standalone Ind AS financial statements.

Management's Responsibility for the Interim Standalone Financial Statements

The Company's/ Board of Directors is responsible for the preparation and presentation of these interim standalone financial statements that give a true and fair view of the standalone financial position, standalone financial performance including other comprehensive income, standalone cash

BATLIBOI PUROHIT & DARBARI
7, Waterloo Street, Kolkata 700069
Chartered Accountants

flows and standalone changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The Board of Directors of the Company are also responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the interim standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, as aforesaid.

In preparing the interim standalone financial statements, Board of Directors are responsible for assessing the ability of the Company's 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.

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

Auditor's Responsibilities for the Audit of the Interim Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the interim 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 interim standalone Ind AS 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 interim 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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

BATLIBOI PUROHIT & DARBARI 7, Waterloo Street, Kolkata 700001 Chartered Accountants

events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the interim standalone financial statements, including the disclosures, and whether the interim standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Other matters

The comparative Ind AS Statement of Profit and Loss; Statement of Changes in Equity and Statement of Cash flows of the Company for the corresponding quarter and period ended September 30, 2017 are not included in these Interim standalone Ind AS financial statements. The comparative Ind AS Statement of Profit and Loss; Statement of Changes in Equity and Statement of Cash flows of the Company for the previous period beginning February 7, 2017 and ending on March 31, 2018 has been included in these Interim Standalone Ind AS financial statements. Our opinion is not qualified in respect of this matter.

Other matters - restriction of use

The accompanying interim standalone Ind AS financial statements have been prepared and this report thereon issued, solely for the purpose of inclusion in the information memorandum to be filed by the Company with relevant stock exchanges for the proposed listing of equity shares of the Company. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent.

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

CA Hemal Mehta
Partner
(Membership No. 063404)

Place of Signature: Kolkata
Date: 11th January 2019

BATLIBOI PUROHIT & DARBARI * Chartered Accountants * 7, Waterloo Street, Kolkata 700069

CESC Ventures Limited

(Formerly *RP-SG Business Process Services Limited*)

Balance Sheet as at 30th September 2018

Rs in lakhs

Particulars	Note No.	As at 30th September, 2018	As at 31st March, 2018
ASSETS			
Non-current Assets			
Financial Assets			
Investments	4	1,29,564.55	1,29,564.55
Other Non current Assets	5	2,337.30	2,337.30
		1,31,901.85	**1,31,901.85**
Current Assets			
Financial Assets			
Investments	6	11,921.21	4,083.04
Trade receivables	7	991.66	491.74
Cash and cash equivalents	8	206.18	891.14
Others	9	7,166.50	8,525.50
Other current Assets	10	45.06	45.70
		20,330.61	**14,037.12**
TOTAL ASSETS		**1,52,232.46**	**1,45,938.97**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	11 A	-	-
Equity Share Suspense	11 B	2,651.14	2,651.14
Other Equity	12	1,48,327.71	1,42,345.74
Total equity		**1,50,978.85**	**1,44,996.88**
Liabilities			
Non-current Liabilities			
Provisions	13	287.49	286.41
		287.49	**286.41**
Current Liabilities			
Financial Liabilities			
Others	14	26.86	12.38
Other current liabilities	15	5.75	5.74
Provisions	16	520.44	435.38
Current Tax Liabilities (net)		413.07	202.18
		966.12	**655.68**
TOTAL EQUITY & LIABILITIES		**1,52,232.46**	**1,45,938.97**
Notes forming part of Financial Statements	1 - 28		

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

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

CA Hemal Mehta
Partner
Membership No. 063404

Place: Kolkata
Date: 11-01-2019

BATLIBOI PUROHIT & DARBARI * Chartered Accountants * 7, Waterloo Street, Kolkata 700069

For and on behalf of Board of Directors

Shashwat Goenka
Director
DIN: 03486121

Sanjiv Goenka
Chairman
DIN: 00074796

Suhail Sameer
Whole-time Director
DIN: 07238872

Sudip Ghosh
Company Secretary

Soumit Banerjee
Chief Financial Officer

CESC Ventures Limited
(Formerly *RP-SG Business Process Services Limited*)

Statement of Profit and Loss for the period 1 April, 2018 to 30 September, 2018

Rs in Lakhs

Particulars	Note No.	1 April 2018 to 30 September 2018	7 February 2017 to 31 March 2018
Revenue from operations	17	3,070.00	2,510.00
Other income	18	5,836.43	223.14
Total Revenue		**8,906.43**	**2,733.14**
Expenses			
Employee benefit expense	19	662.46	630.45
Other expenses	20	1,982.34	1,663.94
Total expenses		**2,644.80**	**2,294.39**
Profit before tax		**6,261.63**	**438.75**
Tax expense			
Current tax		250.50	208.39
Total Tax expenses		**250.50**	**208.39**
Profit after tax (PAT)		**6,011.13**	**230.36**
Other comprehensive income (OCI)			
Items not to be reclassified to profit or loss			
Remeasurement of defined benefit plan		(27.87)	21.87
Income Tax on above		(1.29)	(7.23)
Total Other Comprehensive Income		**(29.16)**	**14.64**
Total comprehensive income for the year		**5,981.97**	**245.00**
Earnings per equity share	21		
Basic & Diluted (Face value of Rs 10 per share)		**22.67**	**0.16**
Notes forming part of Financial Statements	1 - 28		

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

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

CA Hemal Mehta
Partner
Membership No. 063404

Place: Kolkata
Date: 11-01-2019

For and on behalf of Board of Directors

Shashwat Goenka
Director
DIN: 03486121

Sanjiv Goenka
Chairman
DIN: 00074796

Suhail Sameer
Whole-time Director
DIN: 07238872

Sudip Ghosh
Company Secretary

Soumit Banerjee
Chief Financial Officer

BATLIBOI PUROHIT & DARBARI
7, Waterloo Street, Kolkata 700069
Chartered Accountants

CESC Ventures Limited
(Formerly *RP-SG Business Process Services Limited*)

Statement of Changes in Equity for the period 1st April,2018 to 30th September,2018

A **Equity Share Suspense**

Rs in lakhs

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the period	Balance at the end of the reporting period
Equity Share Suspense *			
As at 30 September 2018	2,651.14	-	2,651.14

* Represent shares yet to be allotted

B **Other Equity**

Rs in lakhs

Particulars	Reserves and Surplus		
	Capital Reserve	Retained Earnings (refer note 12)	Total
Balance as at 7 February, 2017	-	-	-
Profit for the period			
PAT	-	230.36	230.36
OCI	-	14.64	14.64
Capital Reserves arisen pursuant to the Scheme of restructuring (Refer Note 26)	1,41,993.82	-	1,41,993.82
Retained Earnings arisen pursuant to the Scheme of restructuring (Refer Note 26)	-	106.92	106.92
Balance as at 31 March, 2018	**1,41,993.82**	**351.92**	**1,42,345.74**
Balance as at 1 April, 2018	1,41,993.82	351.92	1,42,345.74
Profit for the period			
PAT	-	6,011.13	6,011.13
OCI	-	(29.16)	(29.16)
Balance as at 30 September, 2018	**1,41,993.82**	**6,333.89**	**1,48,327.71**

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

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

CA Hemal Mehta
Partner
Membership No. 063404

Place: Kolkata
Date: 11-01-2019

BATLIBOI PUROHIT & DARBARI 7, Waterloo Street, Kolkata 700069 Chartered Accountants

For and on behalf of Board of Directors

Shashwat Goenka
Director
DIN: 03486121

Sanjiv Goenka
Chairman
DIN: 00074796

Suhail Sameer
Whole-time Director
DIN: 07238872

Sudip Ghosh
Company Secretary

Soumit Banerjee
Chief Financial Officer

CESC Ventures Limited

(Formerly *RP-SG Business Process Services Limited*)

Cash flow Statement for the period 1 April, 2018 to 30 September, 2018

Rs in Lakhs

		1 April, 2018 to 30 September, 2018	7 February 2017 to 31 March 2018
A.	**Cash flow from Operating Activities**		
	Profit before Taxation	6,261.63	438.75
	Adjustments for :		
	Gain on sale/fair value of current investments (net)	(220.60)	(83.04)
	Dividend Income	(5,609.65)	-
	Interest Income	(6.18)	(140.10)
	Operating Profit before Working Capital changes	**425.20**	**215.61**
	Adjustments for change in:		
	Trade and other receivables	859.73	(616.19)
	Other payables	72.74	3,068.94
	Cash Generated from Operations	**1,357.67**	**2,668.36**
	Income Tax paid (net of refund)	40.89	-
	Net cash flow from Operating Activities	**1,316.78**	**2,668.36**
B.	**Cash flow from Investing Activities**		
	Purchase of non-current investments	-	(350.16)
	Sale/(purchase) of Current/Non-current Investments (net)	(7,617.57)	(4,000.00)
	Dividend received	5,609.65	-
	Interest received	6.18	140.10
	Investment in Subsidiaries	-	(55,818.18)
	Net cash used in Investing Activities	**(2,001.74)**	**(60,028.24)**
C.	**Cash flow from Financing Activities**		
	Issue of Share Capital	-	57,505.00
	Net Cash flow from Financing Activities	**-**	**57,505.00**
	Net Increase / (Decrease) in cash and cash equivalents	**(684.96)**	**145.12**
	Cash and Cash equivalents - Opening Balance [Refer Note 8]	**891.14**	-
	Cash and Cash equivalents - Pursuant to Scheme of Restructuring .(Refer Note 26)	-	746.02
	Cash and Cash equivalents - Closing Balance [Refer Note 8]	**206.18**	**891.14**

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

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

CA Hemal Mehta
Partner
Membership No. 063404

Place: Kolkata
Date: 11-01-2019

For and on behalf of Board of Directors

Shashwat Goenka
Director
DIN: 03486121

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DIN: 07238872

Sudip Ghosh
Company Secretary

Soumit Banerjee
Chief Financial Officer

BATLIBOI PUROHIT & DARBARI * Chartered Accountants * 7, Waterloo Street, Kolkata 700069

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.

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) These special purpose interim standalone financial statements of CESC Ventures Limited (formerly RP-SG Business Process Services Limited) for the period ended 30th September 2018 have been prepared in accordance with Ind AS 34 "Interim Financial Reporting" specified under Section 133 of Companies Act 2013 ("the Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2013 ("the Rules") as amended for the purpose of inclusion in the Information Memorandum to be filed with Stock Exchanges.

(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 recognition

The Company recognizes revenue at fair value of the consideration received or receivable. Revenue is recognised when its amount can be reliably measured and it is probable that future economic benefits will flow to the entity and specific criteria have been met for the Company's activities as described below:

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.

(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.

(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) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalent consist of balances as defined above.

(f) 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, and
3. 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.

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.

Investments in mutual funds are measured at fair value through profit and loss.

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.

(g) 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.

(h) 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, 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.

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.

(i) 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. The number of equity shares has been considered as the shares issued due to the scheme of restructuring effective 1 October 2017.

(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.

For each earnings per share amount presented in accordance with Ind AS 33, the Company presents additional basic and diluted earnings per share amounts that are calculated in the same way

(j) 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.

(k) Applicability of Ind AS 115:
The Company adopted Ind-AS 115 Revenue from contract with customers (Ind-AS 115) on 1st April 2018 using the full retrospective method. The application of Ind-AS 115 has no impact on recognition and measurement of revenue post implementation and accordingly, no adjustment is required to be done in retained earnings as at 1 April 2018 and its comparatives under the previous standards.

(l) 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(f)
Estimates used in Actuarial Valuation of Employee benefits - Note 19

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Rs in lakhs

			As at 30th September, 2018	As at 31st March,2018
NOTE-4		**NON CURRENT INVESTMENTS**		
a		**Investments in Subsidiary Company - Quoted - carried at cost :**		
	(i)	37,39,76,673 (31.03.2018: 37,39,76,763 shares) fully paid Equity Shares of Rs. 10 each of Firstsource Solutions Limited	47,169.71	47,169.71
b		**Investments in Subsidiary Companies -Unquoted - carried at cost :**		
	(i)	46,31,62,500 (31.03.2018: 46,31,62,500 shares) fully paid Equity Shares of Rs 10 each of Guiltfree Industries Limited	55,068.46	55,068.46
	(ii)	72,40,000 (31.03.2018: 72,40,000 shares) fully paid Equity Shares of Rs. 10 each of Bowlopedia Restaurants India Limited	724.22	724.22
	(iii)	26,25,20,000 (31.03.2018: 26,25,20,000 shares) fully paid Equity Shares of Rs. 10 each of Quest Properties India Limited	26,252.00	26,252.00
c		**Investments in Equity Instruments, unquoted, carried at fair value through other comprehensive income:**		
	(i)	1,670 (31.03.2018: 1,670 shares) equity shares of Rs. 10 each of HW Wellness Solutions Pvt. Ltd.	350.16	350.16
			1,29,564.55	**1,29,564.55**
		Investment in quoted Investments:		
		Aggregate Book value	**47,169.71**	**47,169.71**
		Aggregate Market value	**2,30,744.00**	**1,98,208.00**
		Investment in unquoted Investments:		
		Aggregate Book value	**82,394.84**	**82,394.84**

		As at 30th September, 2018	As at 31st March,2018
			Rs in lakhs
NOTE-5	**OTHER NON CURRENT ASSETS**		
	Capital Advances	2,337.30	2,337.30
		2,337.30	**2,337.30**

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Rs in lakhs

		As at 30th September, 2018	As at 31st March,2018
NOTE -6	**CURRENT INVESTMENTS**		
	Investments in Mutual funds carried at fair value through profit and loss (Quoted)		
	21,08,500.182 (31.03.2018: 15,87,887.022) units of 266.4098 each of ICICI Prudential Liquid Fund - Direct Plan - Growth Option	5,617.25	4,083.04
	1,77,787.2497 (31.03.2018: Nil) units of Rs. 3,545.7911 each of HDFC Liquid Fund - Direct Plan - Growth option	6,303.96	-
		11,921.21	**4,083.04**
NOTE -7	**TRADE RECEIVABLES**		
	Unsecured , considered good (Receivable from Related Party refer Note - 24)	991.66	491.74
		991.66	**491.74**

Rs in lakhs

		As at 30th September, 2018	As at 31st March,2018
NOTE-8	**CASH AND CASH EQUIVALENTS**		
	Balances with banks		
	- In current accounts	206.18	891.14
		206.18	**891.14**
NOTE-9	**OTHER FINANCIAL ASSETS**		
	Unsecured considered good		
	Advance against equity to subsidiaries (Refer Note 24)	3,666.50	25.50
	Amount recoverable pursuant to Scheme of restructuring (Refer Note 26)	3,500.00	8,500.00
		7,166.50	**8,525.50**
NOTE-10	**OTHER CURRENT ASSETS**		
	Advances to employees	45.06	45.70
		45.06	**45.70**

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Rs in lakhs

		As at 30th September, 2018	As at 31st March, 2018
NOTE -11A	**EQUITY SHARE CAPITAL**		
	Authorised Share Capital		
	125,00,00,000 (31.03.2018: 125,00,00,000) Equity Shares of Rs 10 each	1,25,000.00	1,25,000.00
		1,25,000.00	**1,25,000.00**
NOTE -11B	**EQUITY SHARE SUSPENSE**		
	Shares to be issued pursuant to the scheme	2,651.14	2,651.14
		2,651.14	**2,651.14**

2,65,11,409 Equity Shares of Rs. 10/- each amounting to Rs. 2651.14 Lakh is the proposed share capital of the Company post its restructuring effective from 1st October 2017. The Company is in the process of listing its shares with the recognized Stock Exchanges in India. The Share Capital stands unalloted and disclosed under "Equity Share Suspense". The same have been allotted on 14th November 2018.

		As at 30th September, 2018	As at 31st March, 2018
NOTE -12	**OTHER EQUITY**		
	a. Capital Reserve	1,41,993.82	1,41,993.82
	b. Retained Earnings	6,333.89	351.92
		1,48,327.71	**1,42,345.74**

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Rs in lakhs

	As at 30th September, 2018	As at 31st March,2018
NOTE-12 OTHER EQUITY.......contd		
a. Capital Reserve		
As at beginning of the period	1,41,993.82	-
Add :Pursuant to the scheme of restructuring (Refer Note 26)	-	1,41,993.82
	1,41,993.82	**1,41,993.82**
b. Retained Earnings		
Surplus at the beginning of the period	351.92	-
Add : Profit for the period	6,011.13	230.36
Add: Adjustment pursuant to the scheme of restructuring (Refer Note 26)	-	106.92
Add: Remeasurements of the net defined benefit plan	(29.16)	14.64
	6,333.89	**351.92**
	1,48,327.71	**1,42,345.74**

Rs in lakhs

NOTE -13 NON CURRENT- PROVISIONS

	As at 30th September, 2018	As at 31st March,2018
Provision for employee benefits	287.49	286.41
	287.49	**286.41**

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Rs In lakhs

		As at 30th September, 2018	As at 31st March, 2018
NOTE- 14	**OTHER FINANCIAL LIABILITIES**		
	Payable to Employees	26.80	11.94
	Others	0.06	0.44
		26.86	**12.38**
NOTE- 15	**OTHER CURRENT LIABILITIES**		
	Statutory dues	-	0.07
	Other liabilities	5.75	5.67
		5.75	**5.74**
NOTE - 16	**CURRENT PROVISIONS**		
	Provision for employee benefits	520.44	435.38
		520.44	**435.38**

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Rs in lakhs

		1 April 2018 to 30 September 2018	7 February 2017 to 31 March 2018
NOTE - 17	**REVENUE FROM OPERATIONS**		
	Sale of services	3,070.00	2,510.00
		3,070.00	**2,510.00**
NOTE - 18	**OTHER INCOME**		
	Interest Income	6.18	140.10
	Dividend Income	5,609.65	-
	Gain on sale/fair value of current investments (net)	220.60	83.04
		5,836.43	**223.14**

Rs in lakhs

		1 April 2018 to 30 September 2018	7 February 2017 to 31 March 2018
NOTE -19	**EMPLOYEE BENEFIT EXPENSES**		
a.	Salaries, wages and bonus	525.07	507.01
b	Contribution to provident and other funds	95.42	87.79
c	Employees' welfare expenses	41.97	35.65
		662.46	**630.45**

EMPLOYEE BENEFIT EXPENSES

(i) <u>**Defined contribution plans**</u>

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 year, based on applicable rates, the Company has contributed Rs. 65.77 lakhs (31-Mar-2018- Rs.63.18 Lakhs) on this count in the Statement of Profit and Loss .

The Company also sponsors the Gratuity plan, which is governed by the Payment of Gratuity Act, 1972. The Company makes annual contribution to independent trust, who in turn, invests in the Employees Group Gratuity Scheme of eligible agencies for qualifying employees.

(ii) <u>**Defined benefit plans**</u>

No additional liability has been recognised as interest rate announced by PF trust is higher than the statutory rate announced by Employee Provident Fund Organization.

(iii) <u>The amounts recognised in the balance sheet and the movements in the total defined benefit obligation over the year are as follows:</u>

(` in lakhs)

Gratuity (Unfunded)	As at September 30, 2018			As at March 31, 2018		
	Present value of obligation	Fair value of plan assets	Total amount	Present value of obligation	Fair value of plan assets	Total amount
Opening Balance	426.69		426.69			-
Add : Amount added pursuant to scheme of arrangement		-	-	418.98	-	418.98
Current service cost	13.22		13.22	10.99		10.99
Interest expense/(Income)	16.43		16.43	13.61		13.61
Past Service Cost			-			-
Total amount recognised in profit and loss	29.65	-	29.65	24.60	-	24.60
Remeasurements						
Return on plan assets, excluding amounts included in interest expense/(income)			-	-		-
(Gain)/loss from change in demographic assumptions		-	-	-	-	-
(Gain)/loss from change in financial assumptions	6.55	-	6.55	(5.86)	-	(5.86)
Experience (gains)/losses	25.18	-	25.18	(11.03)	-	(11.03)
Total amount recognised in other comprehensive income	31.73	-	31.73	(16.89)	-	(16.89)
Employer contributions	-		-	-		-
Benefit payments			-			-
Closing Balance	488.07	-	488.07	426.69	-	426.69

The net liability disclosed above relates to funded plan is as follows:

Gratuity	30-Sep-18	31-Mar-18
Present value of funded obligation (DBO)	488.07	426.69
Fair value of plan assets	-	-
Deficit of funded plan	488.07	426.69
Net liability / (asset) recognized in BS	488.07	426.69

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Leave Obligation (Unfunded)	As at September 30, 2018 Present value of obligation	As at March 31, 2018 Present value of obligation
Opening Balance	185.57	
Add : Amount added pursuant to scheme of arrangement		185.57
Current service cost	7.13	5.30
Interest expense/(income)	7.05	6.03
Remeasurements		
Return on plan assets, excluding amounts included in interest expense/(income)	-	-
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	2.82	7.04
Experience (gains)/losses	4.09	-18.37
Total amount recognised in profit and loss	21.09	-
Employer contributions	-	-
Benefit payments		
Closing Balance	206.66	185.57

The net liability disclosed above relates to unfunded plan is as follows:		
Leave obligation	30-Sep-18	31-Mar-18
Present value of unfunded obligation (DBO)	206.66	185.57
Fair value of plan assets	-	-
Deficit of unfunded plan	206.66	185.57
Net liability / (asset) recognized in BS	206.66	185.57

	Post retirement medical benefit		Pension	
	As at September 30, 2018	As at March 31, 2018	As at September 30, 2018	As at March 31, 2018
Opening balance	89.70		19.83	
Add : Amount added pursuant to scheme of arrangement		89.70		19.83
Current service cost	1.45	1.34	0.50	0.09
Interest expense/(income)	3.41	2.91	0.75	0.64
Past Service Cost			1.41	
Total amount recognised in profit and loss	4.86	4.25	2.66	0.73
Remeasurements				
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-	-
(Gain)/loss from change in financial assumptions	(2.02)	(2.86)	(1.67)	1.67
Experience (gains)/losses	(2.84)	(1.39)	2.68	(2.41)
Total amount recognised in other comprehensive income	(4.86)	(4.25)	1.01	(0.74)
Employer contributions	-	-	-	-
Benefit payments				
Closing balance	89.70	89.70	23.50	19.82

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The net liability disclosed above relates to unfunded plan is as follows:	Post-employment medical benefits		Pension	
	30-Sep-18	31-Mar-18	30-Sep-18	31-Mar-18
Present value of unfunded obligation (DBO)	89.70	89.70	23.50	19.82
Fair value of plan assets	-	-	-	-
Deficit of unfunded plan	**89.70**	**89.70**	**23.50**	**19.82**
Net liability / (asset) recognized in BS	**89.70**	**89.70**	**23.50**	**19.82**

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
As at September 30, 2018					
Defined benefit obligation (gratuity)	104.75	36.65	105.18	360.90	**607.48**
Leave obligation	29.16	13.72	37.79	240.84	**321.51**
Post-employment medical benefits	-	2.11	12.33	59.88	**74.32**
Pension	-	-	10.53	30.64	**41.17**
Interest rate guarantee on provident fund	-	-	-	-	-
Total	**133.91**	**52.48**	**165.83**	**692.26**	**1,044.48**
As at March 31, 2018					
Defined benefit obligation (gratuity)	15.04	228.54	260.95	530.02	**1,034.55**
Leave obligation	9.01	71.73	88.36	200.38	**369.48**
Post-employment medical benefits	-	3.46	23.71	117.75	**144.92**
Pension	-	-	20.04	40.26	**60.30**
Interest rate guarantee on provident fund	-	-	-	-	-
Total	**24.05**	**303.73**	**393.06**	**888.41**	**1,609.25**

v) **Sensitivity Analysis**

	Gratuity		Post-employment medical benefits		Leave Obligation		Pension	
	As at September 30, 2018	As at March 31, 2018	As at September 30, 2018	As at March 31, 2018	As at September 30, 2018	As at March 31, 2018	As at September 30, 2018	As at March 31, 2018
DBO at 31st March with discount rate +1%	258.18	404.91	39.72	80.29	104.26	168.95	12.49	18.23
Corresponding service cost	12.04	10.41	1.42	1.31	6.32	4.70	0.46	0.09
DBO at 31st March with discount rate -1%	293.95	450.13	50.13	101.46	125.24	195.22	14.42	21.05
Corresponding service cost	14.64	13.09	2.41	2.22	8.12	5.75	0.53	0.09
DBO at 31st March with +1% salary escalation	294.10	455.45	50.12	101.34	125.36	199.03		
Corresponding service cost	14.65	13.35	2.48	2.27	8.13	5.90		
DBO at 31st March with -1% salary escalation	257.77	399.46	39.68	80.24	104.00	166.14		
Corresponding service cost	12.01	10.40	1.36	1.26	6.29	4.59		
DBO at 31st March with +50% withdrawal rate	275.04	427.14	44.21	89.36	114.12	186.19		
Corresponding service cost	13.26	11.26	1.34	1.24	7.16	5.20		
DBO at 31st March with -50% withdrawal rate	274.39	426.33	45.06	90.05	113.63	183.11		
Corresponding service cost	13.20	10.88	1.87	1.72	7.11	5.16		
DBO at 31st March with +10% mortality rate	274.86	426.86	43.23	87.38	113.97	186.23	13.01	18.99
Corresponding service cost	13.24	11.41	1.36	1.26	7.14	5.19	0.48	0.09
DBO at 31st March with -10% mortality rate	274.59	426.51	45.62	92.21	113.79	181.93	13.62	19.88
Corresponding service cost	13.22	10.93	1.87	1.72	7.13	5.17	0.50	0.09
Int guarantee Liability 31st March with discount rate +1%								
Int guarantee Liability 31st March with discount rate -1%								
Int guarantee Liability 31st March with EPFO rate +0.5%								
Int guarantee Liability 31st March with EPFO rate 0.5%								
Int guarantee Liability 31st March with portfolio rate +0.5%								
Int guarantee Liability 31st March with portfolio rate -0.5%								

The above sensitivity analyses 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.

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vi) **Actuarial assumptions**

Particulars	For the half year ended September 2018			
	Gratuity	Leave obligation	Medical	Pension
Discount rate current year (%)	8.20%	8.20%	8.20%	8.20%
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

Particulars	31-Mar-18			
	Gratuity	Leave obligation	Medical	Pension
Discount rate current year (%)	7.60%	7.60%	7.60%	7.60%
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 September 30, 2018	2017-18
Employees Gratuity Fund	16.87	17.61
Executive Gratuity Fund	7.88	8.69
Leave Encashment	11.38	12.22
PRMB - Non Cov	16.82	17.61
PRMB - Cov	14.15	14.69
Pension	25.35	14.48

vii) **Risk exposure**

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.

NOTE- 20 OTHER EXPENSES

Rs in lakhs

	1 April 2018 to 30 September 2018	7 February 2017 to 31 March 2018
Repairs		
Plant and Machinery	-	9.14
Others	11.62	-
	11.62	9.14
Filing Fees	0.30	251.77
Audit Fees	0.05	0.77
Travelling and conveyance	14.02	13.62
Communication expenses	71.49	44.44
EDP & Computer Expenses	1,088.97	760.75
Courier Expenses	346.62	293.44
Printing & Stationery	416.24	234.98
Miscellaneous expenses	33.03	55.03
	1,982.34	**1,663.94**

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NOTE-21 **Earnings per share:**

Computation of Earnings per share

Particulars	1 April 2018 to 30 September 2018	7 February 2017 to 31 March 2018
A. Profit After Tax (Rs in Lakh)	6,011.13	230.36
B. Weighted Average no. of shares for Earnings per share *	2,65,11,409	14,24,16,374
Basic and Diluted Earnings per share of Rs 10/- = [(A) / (B)] (Rs)	22.67	0.16

* includes shares yet to be allotted

NOTE-22 **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-23 Fair value measurements

Rs in lakhs

	30-Sep-18			31-Mar-18		
	Cost	FVTOCI	FVTPL	Cost	FVTOCI	FVTPL
Financial assets						
Investments						
- Equity instruments	1,29,214.39	350.16	-	1,29,214.39	350.16	-
- Mutual funds	-	-	11,921.21		-	4,083.04
Trade Receivables	991.66	-	-	491.74	-	-
Cash and cash equivalents	206.18	-	-	891.14	-	-
Amount recoverable pursuant to Scheme of restructuring	3,500.00	-	-	8,500.00	-	-
Advance against equity to subsidiaries	3,666.50	-	-	25.50	-	-
Total financial assets	**1,37,578.73**	**350.16**	**11,921.21**	**1,39,122.77**	**350.16**	**4,083.04**
Financial liabilities						
Others	26.86	-	-	12.38	-	-
Total financial Liabilities	**26.86**	-	-	**12.38**	-	-

b) Fair value hierarchy

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

Rs in Lakhs

Financial assets and liabilities measured at fair value	Level 1	Level 2	Level 3	Total Fair Value	Total carrying amount
As at 30 September 2018					
Financial assets					
Investment in equity instruments	-		350.16	350.16	350.16
Investment in liquid mutual fund units	11921.21		-	11,921.21	11,921.21
Total Financial Assets	**11,921.21**		**350.16**	**12,271.37**	**12,271.37**
As at 31 March 2018					
Financial assets					
Investment in equity instruments	-		350.16	350.16	350.16
Investment in liquid mutual fund units	4,083.04		-	4083.04	4,083.04
Total financial assets	**4,083.04**		**350.16**	**4,433.20**	**4,433.20**

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

i. The fair values of the mutual fund instruments are based on net asset value of units declared at the close of the reporting date.

ii. The carrying amount of cash and cash equivalents is considered to be the same as their fair values, due to their short term nature.

iii. 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.

NOTE - 24 Related Party for the period 1 April 2018 to 30 September 2018 and their Relationship

A (i) **Parent- under de facto control**

Name
Rainbow Investments Limited

(ii) **Parent**

Name
CESC Limited (till 30th September 2017)

B. **Subsidiary/ Joint Venture/Associates**

Name	Relationship
Quest Properties India Limited	Subsidiary #
Firstsource Solutions Limited	Subsidiary #
Bowlopedia Restaurants India Limited	Subsidiary **
Guiltfree Industries Limited	Subsidiary *
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 #
ISGN Solutions Inc.	Step Down Subsidiary #
ISGN Fulfillment Services, Inc.	Step Down Subsidiary #
ISGN Fulfillment Agency, LLC	Step Down Subsidiary #
Nanobi Data and Analytics Private Limited	Associate #

Subsidiary/Step Down Subsidiary/ Associate w.e.f 01-10-17
* Subsidiary/Step Down Subsidiary w.e.f 23-09-17
* *Subsidiary w.e.f 26-09-17

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

Name
CESC Limited (w-e-f 1st October,2017)
Haldia Energy Limited
Dhariwal Infrastructure Limited
Kota Electricity Distribution Limited
Bikaner Electricity Supply Limited
Bharatpur Electricity Services Limited

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

As at 30.09.2018	Relationship
Mr. R. Jha	Director (till 14.11.2018)
Mr. S. Mitra	Director (till 27.11.2018)
Mr. U. Bhattacharya	Director (till 14.11.2018)
Appointed w.e.f. 14.11.2018	
Mr. Sanjiv Goenka	Chairman and Non-executive Director (w.e.f. 14.11.2018)
Mr. Shashwat Goenka	Non-executive Director (w.e.f. 14.11.2018)
Ms. Grace Koshie	Independent Director (w.e.f. 14.11.2018)
Mr. K. Jairaj	Independent Director (w.e.f. 14.11.2018)
Mr. Arjun Kumar	Independent Director (w.e.f. 14.11.2018)
Mr. Suhail Sameer	Wholetime Director (w.e.f. 14.11.2018)
Mr. Sudip Ghosh	Company Secretary (w.e.f. 14.11.2018)
Mr. Soumit Banerjee	Chief Financial Officer (w.e.f. 14.11.2018)

BATLIBOI PUROHIT & DARBARI * Chartered Accountants * 7, Waterloo Street, Kolkata 700069

Rs in lakhs

	1 April 2018 to 30 September 2018	Parent having Control in terms of Ind AS - 110, Subsidiaries		Entities under common control		Total	
		30-Sep-18	31-Mar-18	30-Sep-18	31-Mar-18	30-Sep-18	31-Mar-18
1	**Acquisition of Investment :**						
	Guilt Free Industries Limited	-	52,474.50	-	-	-	52,474.50
	Guilt Free Industries Limited (From Spencers Retail Limited)	-	2,593.96	-	-	-	2,593.96
	Bowlopedia Restaurants India Limited	-	637.22	-	-	-	637.22
	Bowlopedia Restaurants India Limited (From Spencers Retail Limited)	-	87.00	-	-	-	87.00
2	**Advance for Share Subscription Made/(Received) :**						
	Guilt Free Industries Limited	3,000.00	25.50	-	-	3,000.00	25.50
	Bowlopedia Restaurants India Limited	641.00	-	-	-	641.00	-
3	**Equity Shares issued**						
	CESC Limited through Haldia Energy Limited*	-	(57,505.00)	-	-	-	(57,505.00)
4	**Expense incurred (Net of recovery) / Expenses reimbursed :**						
	CESC Limited	-	-	(2,671.54)	(2,036.00)	(2,671.54)	(2,036.00)
5	**Income from sale/services :**						
	CESC Limited	-	-	2,200.00	2,250.00	2,200.00	2,250.00
	Others	-	-	870.00	260.00	870.00	260.00
6	**Income from Dividend :**						
	Firstsource Solutions Limited	5,609.65	-	-	-	5,609.65	-
	Outstanding Balance :						
1	Debit	3,641.00	25.50	4,491.66	8,991.74	8,132.66	9,017.24
2	Credit	-	-	-	-	-	-

* these were cancelled pursuant to scheme of restructuring

Outstanding balances are unsecured and settlement occurs in cash

NOTE-25 FINANCIAL RISK MANAGEMENT

The business of the Company are exposed to a variety of financial risks, market risks, and liquidity 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.

The exposure to credit risks for the business at reporting date is primarily from trade receivables. Credit risk has always been managed by the Company by continuously monitoring the credit worthiness of the customers to which the Company grants credit terms in the normal course of business.

The Company's approach to manage liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due.

While managing the capital, the company ensures to take adequate precaution for protection of the stake of the shareholders, including protecting and strengthening the balance sheet.

NOTE-26 The Board of Directors of the Company at its meeting held on 22nd May, 2017 had approved, subject to necessary approvals, a composite scheme of arrangement (Scheme) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 involving the Company, CESC Limited (CESC) and eight other subsidiary companies of CESC as on that date. The Scheme, inter alia, provided for demerger of identified IT Undertaking of CESC as defined in the Scheme and merger of Spen Liq Private Limited as a going concern into the Company.

The Company on 5th October, 2018 received the certified copy of the order of National Company Law Tribunal (NCLT), being the appropriate authority which included the approval for the above referred activities. Accordingly, the Board of Directors at its meeting held on 12 October, 2018 had decided to give effect to the Scheme in terms of NCLT order, as applicable to the Company from the Appointed Date of 1st October, 2017 in its accounts for the year ended 31 March, 2018. The Net impact as at the appointed date is Rs. 142100.74 Lakhs.

Pursuant to the Scheme, each existing shareholder of CESC Limited registered on the record date of 31 October, 2018 in respect of every 10 shares is entitled to 2 fully paid up equity shares of Rs. 10 each in the CESC Ventures Limited (formerly RP-SG Business Process Services Limited).

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NOTE- 27 Income tax expense

Rs in lakhs

a) i) Income tax recognised in profit or loss

	September 30, 2018	March 31, 2018
Current tax expense		
Current Tax	250.50	208.39
Deferred tax expense		
Deferred tax-(Income) / expense	-	-
Total income tax expense	250.50	208.39

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

	September 30, 2018	March 31, 2018
Current tax expense		
Remeasurement of defined benefit plan	1.29	7.23
Total income tax expense relating to OCI items	**1.29**	**7.23**

b) Reconciliation of tax expense and accounting profit

	September 30, 2018	March 31, 2018
Accounting profit before tax after Comprehensive Income	**6,233.76**	**460.62**
Tax using the Company's domestic tax rate (Current year 33.384%, previous year 33.063%)	2,081.08	152.29
Tax effect of amounts adjustable in calculating taxable income in current periods:		
Ind-AS Income/expenses not considered for tax purpose	(1,829.28)	63.33
INCOME TAX EXPENSE	**251.79**	**215.62**

NOTE- 28 Previous year figures have been regrouped/reclassified wherever necessary to correspond with current year classification/disclosure. The figures appearing in the statement of Profit and loss for the year ended March 31, 2018 of CESC Ventures Limited (formerly RP-SG Business Process Services Limited) represents the figures from 7 February 2017 to 31 March 2018. Further, Spen-Liq Private Limited and IT undertaking of CESC Limited has been amalgamated with the Company w.e.f 1st October 2017 and accordingly previous year figures also includes figures for above undertaking from the date these are amalgamated with the Company. Hence current year figures are not comparable with previous year figures.

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

CA Hemal Mehta
Partner
Membership No. 063404

Place: Kolkata
Date: 11-01-2019

BATLIBOI PUROHIT & DARBARI Chartered Accountants 7, Waterloo Street, Kolkata 700069

For and on behalf of Board of Directors

Shashwat Goenka
Director
DIN: 03486121

Sanjiv Goenka
Chairman
DIN: 00074796

Suhail Sameer
Whole-time Director
DIN: 07238872

Sudip Ghosh
Company Secretary

Soumit Banerjee
Chief Financial Officer

BATLIBOI, PUROHIT & DARBARI
Chartered Accountants

Phone :2248-3042 / 2248 8867
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7, WATERLOO STREET, 1st FLOOR
KOLKATA - 700 069

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
CESC Ventures Limited (formerly RP -SG Business Process Services Limited)

Opinion

We have audited the accompanying interim consolidated Ind AS financial statements of CESC Ventures Limited (formerly RP -SG Business Process Services Limited) ("the Company/Holding Company"), its subsidiary (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the interim consolidated Balance Sheet as at September 30, 2018, and the interim consolidated Statement of Profit and Loss, including other comprehensive income, interim consolidated Cash Flow Statement and the interim consolidated Statement of Changes in Equity for the six-month period then ended, and notes to the interim consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim consolidated Ind AS financial statements give a true and fair view in conformity with the accounting principle generally accepted in India including the Indian Accounting Standard (Ind AS) 34 specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended:

(a) in the case of the interim consolidated Balance Sheet, of the state of affairs of the Group as at September 30, 2018;

(b) in the case of the interim consolidated Statement of Profit and Loss including other comprehensive income, of the profit for the Six-month period ended on that date;

(c) in the case of the interim consolidated Cash Flow Statement, of the cash flows for the Six-month period ended on that date; and

(d) in the case of the interim consolidated Statement of Changes in Equity, of the changes in equity for the Six-month period ended on that date.

Basis for Opinion

We conducted our audit of the interim consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Interim Consolidated Financial Statements section of our report. We are independent of the Company/Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the interim consolidated Ind AS financial statements.

Management's Responsibility for the Interim Consolidated Financial Statements

The Company's/ Board of Directors is responsible for the preparation and presentation of these interim 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 subsidiaries in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are also responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making

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7, Waterloo Street, Kolkata 700069
Chartered Accountants

judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the interim consolidated Ind AS 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 Holding Company, as aforesaid.

In preparing the interim consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Company's / Group 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/Group 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 are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Interim Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the interim 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 interim consolidated Ind AS 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 interim 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's/Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim consolidated financial statements, including the disclosures, and whether the interim 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 of which we are the independent auditors and whose

BATLIBOI PUROHIT & DARBARI 7, Waterloo Street, Kolkata 700069 Chartered Accountants

financial information we have audited, to express an opinion on the interim consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the interim consolidated financial statements of which we are the independent auditors. For the other entities included in the interim consolidated financial statements, which have been audited by 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.

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.

Other matters

The comparative Ind AS Statement of Profit and Loss; Statement of Changes in Equity and Statement of Cash flows of the Group for the corresponding quarter and period ended September 30, 2017 are not included in these Consolidated Interim Ind AS financial statements. The comparative Ind AS Statement of Profit and Loss; Statement of Changes in Equity and Statement of Cash flows of the Group for the previous period beginning February 7, 2017 and ending on March 31, 2018 has been included in these Consolidated Interim Ind AS financial statements.

We did not audit the interim financial statements and other financial information, in respect of 20 subsidiaries whose Ind AS financial statements include total assets of Rs 3,492.88 crore as at September 30, 2018, total revenues of Rs 2,136.76 crore and net cash outflows amounting to Rs. 53.93 crore for the 6 months' period then ended. These interim financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion, in so far as it relates to the amounts and disclosures of such subsidiary is based solely on the report of other auditor.

Our opinion is not qualified in respect of the above matters.

Other matters - restriction of use

The accompanying interim consolidated Ind AS financial statements have been prepared and this report thereon issued, solely for the purpose of inclusion in the information memorandum to be filed by the Company with relevant stock exchanges for the proposed listing of equity shares of the Company. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent.

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

CA Hemal Mehta
Partner
(Membership No. 063404)

Place of Signature: Kolkata
Date: 11th January 2019

CESC Ventures Limited
(Formerly RP-SG Business Process Services Limited)

Consolidated Balance Sheet as at 30th September, 2018

Rs in crore

Particulars		Note No.	As at 30th September, 2018	As at 31st March, 2018
ASSETS				
Non-current Assets				
Property, Plant and Equipment		5	511.32	515.41
Capital work-in-progress			20.53	3.44
Investment Property		6	56.25	56.71
Goodwill			2,291.17	2,080.94
Other Intangible Assets		7	313.39	322.66
Intangible Assets under development			6.45	1.73
Financial Assets				
Investments		8	15.71	15.76
Loans		9	0.86	0.55
Others		10	33.04	89.01
Non-Current Tax Assets			87.69	83.73
Deferred Tax Assets (Net)		41	232.01	217.55
Other Non current Assets		11	298.19	223.63
	(A)		**3,866.61**	**3,611.12**
Current Assets				
Inventories		12	45.64	41.67
Financial Assets				
Investments		13	149.64	112.08
Trade receivables		14	475.46	400.97
Cash and cash equivalents		15	87.06	146.19
Bank balances other than cash and cash equivalents		16	66.23	90.30
Loans		17	1.09	0.85
Others		18	224.84	281.33
Other current Assets		19	100.92	92.86
	(B)		**1,150.88**	**1,166.26**
TOTAL ASSETS	(A+B)		**5,017.49**	**4,777.37**
EQUITY AND LIABILITIES				
Equity				
Equity Share capital		20A	-	-
Equity Share Suspense		20B	26.51	26.51
Other Equity		21	2,222.15	2,146.55
Total equity attributable to equity holders of the Company			**2,248.66**	**2,173.06**
Non-controlling interests			1,219.86	1,143.68
Total equity	(C)		**3,468.52**	**3,316.74**
Liabilities				
Non-current Liabilities :				
Financial Liabilities				
Borrowings		22	134.12	149.46
Others		23	138.26	107.10
Provisions		24	12.13	10.52
Deferred tax liabilities (Net)		41	89.75	101.73
Other non current liabilities		25	0.45	0.14
	(D)		**374.71**	**368.95**
Current Liabilities				
Financial Liabilities				
Borrowings		26	662.93	371.52
Trade Payables		27		
(a) Total outstanding dues to micro enterprises and small enterprises			-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises			181.66	138.63
Others		28	216.57	472.24
Other current liabilities		29	58.21	58.13
Provisions		30	35.67	34.14
Current Tax Liabilities (net)			17.22	17.02
	(E)		**1,174.26**	**1,091.68**
TOTAL EQUITY & LIABILITIES	(C+D+E)		**5,017.49**	**4,777.37**

Notes forming part of Consolidated Financial Statements 1- 51

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

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

CA Hemal Mehta
Partner
Membership No. 063404

Place: Kolkata
Date: 11-01-2019

For and on behalf of Board of Directors

Shashwat Goenka
Director
DIN: 03486121

Sanjiv Goenka
Chairman
DIN: 00074796

Suhail Sameer
Whole-time Director
DIN: 07238672

Sudip Ghosh
Company Secretary

Soumit Banerjee
Chief Financial Officer

BATLIBOI PUROHIT & DARBARI
7, Waterloo Street, Kolkata 700069
Chartered Accountants

CESC Ventures Limited
(Formerly RP-SG Business Process Services Limited)

Consolidated Statement of Profit and Loss for the period 1 April 2018 to 30 September 2018

Rs in crore

Particulars	Note No.	1 April 2018 to 30 September 2018	7 February 2017 to 31 March 2018
Revenue from operations	32	2,159.95	1,993.49
Other income	33	9.77	12.06
Total Revenue		**2,169.72**	**2,005.55**
Expenses			
Cost of materials consumed for FMCG Business	34	127.13	95.36
Purchases of stock-in -trade for FMCG Business		7.94	1.26
Changes in inventories of finished goods, stock-in-trade and work- in -progress for FMCG Business	35	(2.43)	(6.13)
Employee benefit expenses	36	1,308.07	1,239.31
Finance costs	37	20.65	27.92
Depreciation and amortisation expense	38	46.57	44.17
Other expenses	39	518.59	446.77
Total expenses		**2,026.52**	**1,848.66**
Profit before share in profit of associate and tax		**143.20**	**156.89**
Share in net profit of associate		-	-
Profit before tax		**143.20**	**156.89**
Tax expense			
Current tax (net)		30.94	31.02
Deferred tax - (Income) / expense (including MAT Credit)		(14.94)	(37.83)
Total Tax expenses	41	**16.00**	**(6.81)**
Profit after Tax (PAT)		**127.20**	**163.70**
Other comprehensive income (OCI)			
Items not to be reclassified to profit or loss			
Remeasurement of defined benefit plan		0.09	1.16
Income Tax on above		(0.08)	(0.03)
Gain on Fair Valuation of Investment		(0.33)	0.33
		(0.32)	**1.46**
Items to be reclassified to profit or loss			
Net changes in fair value of cash flow hedges		(54.66)	(50.28)
Exchange difference on translation of foreign operations		123.41	20.12
Deferred Tax on above		9.97	15.83
		78.52	**(14.33)**
Total Other Comprehensive Income		**78.20**	**(12.87)**
Total comprehensive income for the period		**205.40**	**150.83**
Profit attributable to			
Owners of the equity		44.32	75.56
Non-controlling interest		82.88	88.14
		127.20	**163.70**
Other Comprehensive Income attributable to			
Owners of the equity		42.16	(6.80)
Non-controlling interest		36.04	(6.07)
		78.20	**(12.87)**
Total Comprehensive Income attributable to			
Owners of the equity		86.48	68.76
Non-controlling interest		118.92	82.07
		205.40	**150.83**
Earnings per equity share (refer note 42)			
Basic & Diluted (Face value of Rs 10 per share)		**47.98**	**11.49**
Notes forming part of Consolidated Financial Statements	1- 51		

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

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

CA Hemal Mehta
Partner
Membership No. 063404

Place: Kolkata
Date: 11-01-2019

Batliboi, Purohit & Darbari, 7, Waterloo Street, Kolkata 700069, Chartered Accountants

For and on behalf of Board of Directors

Shashwat Goenka
Director
DIN: 03486121

Sanjiv Goenka
Chairman
DIN: 00074796

Suhail Sameer
Whole-time Director
DIN: 07238672

Sudip Ghosh
Company Secretary

Soumit Banerjee
Chief Financial Officer

CESC Ventures Limited

(Formerly RP-SG Business Process Services Limited)

Consolidated Statement of Changes in Equity for the period ended 30th September 2018

A. Equity Share Capital

Rs in crore

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the period	Balance at the end of the reporting period
As at September 30th, 2018	-	-	-

B. Equity Share Suspense

Rs in crore

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the period	Balance at the end of the reporting period
Share Suspense (Refer Note 20B)			
Equity Shares of Rs 10 each	26.51	-	26.51

C. Other Equity

Rs in crore

Particulars	Other Equity (Refer Note 21)							
	Capital Reserve	Retained Earnings	Employee Stock Option Reserve	Effective portion of Cash Flow Hedges	FVTOCI reserve	Exchange differences on translating the financial statements of a foreign operation	Other reserve	Total
Opening Balance	-	-	-	-	-	-	-	-
Profit for the period								
Total Comprehensive Income	-	58.76	-	-	-	-	-	58.76
OCI	-	6.80	-	-	-	-	-	6.80
Pursuant to the scheme of restructuring (refer Note 50)	1,420.51	415.87	8.14	15.55	-	217.92	1.67	2,079.66
Other Comprehensive Income / others for the period	-	0.68	-	-	-	-	-	0.68
Total Comprehensive Income for the period	1,420.51	492.11	8.14	15.55	-	217.92	1.67	2,155.90
Adjustments during the period	-	-	(1.08)	(18.86)	0.34	9.60	(0.01)	(10.01)
Consequent to change in group interest	-	0.66	-	-	-	-	-	0.66
Reversal of share option outstanding	-	0.50	(0.50)	-	-	-	-	-
Balance as at 31 March, 2018	1,420.51	493.27	6.56	(3.31)	0.34	227.52	1.66	2,146.55

Rs in crore

Particulars	Other Equity (Refer Note 21)								
	Capital Reserve	Retained Earnings	Employee Stock Option Reserve	Effective portion of Cash Flow Hedges	FVTOCI reserve	Exchange differences on translating the financial statements of a foreign operation	Share application money pending allotment	Other reserve	Total
Balance as at 1 April, 2018	1,420.51	493.27	6.56	(3.31)	0.34	227.52	-	1.66	2,146.55
Profit for the period									
Total Comprehensive Income	-	66.48	-	-	-	-	-	-	66.48
OCI	-	(42.18)	-	-	-	-	-	-	(42.18)
Share of tax on Dividend of Subsidiary		(11.53)							(11.53)
Other Comprehensive Income / others for the period	-	(0.38)	-	-	-	-	-	-	(0.38)
Total Comprehensive Income for the period	1,420.51	525.68	6.56	(3.31)	0.34	227.52	-	1.66	2,176.96
Adjustments during the period	-	2.78	(0.87)	(24.30)	-	65.59	-	(0.01)	43.19
Balance as at 30 September, 2018	1,420.51	528.46	5.69	(27.61)	0.34	293.11	-	1.65	2,222.15

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

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

CA Hemal Mehta
Partner
Membership No. 063404

Place: Kolkata
Date: 11-01-2019

BATLIBOI PUROHIT & DARBARI
7, Waterloo Street, Kolkata 700069
Chartered Accountants

For and on behalf of Board of Directors

Shashwat Goenka
Director
DIN: 03486121

Sanjiv Goenka
Chairman
DIN: 00074796

Suhail Sameer
Whole-time Director
DIN: 07238872

Sudip Ghosh
Company Secretary

Soumit Banerjee
Chief Financial Officer

CESC Ventures Limited
(Formerly RP-SG Business Process Services Limited)

Consolidated Cash Flow Statement for the period 1 April 2018 to 30 September 2018

Rs in crore

	Particulars	1 April 2018 to 30 September 2018	7 February 2017 to 31 March 2018
A.	**Cash flow from Operating Activities**		
	Profit before Taxation	143.20	156.89
	Adjustments for :		
	Depreciation and amortisation expenses	46.57	44.17
	Loss / (Profit) on sale / disposal of assets (net)	0.12	(0.47)
	Gain on sale/fair value of current investments (net)	(5.54)	(3.49)
	Employee stock compensation expense	2.22	2.03
	Allowances for doubtful debts/slow moving/Advances/ Security deposit	0.76	0.16
	Bad debts, advances, other receivables written off	-	3.73
	Finance Cost	20.65	27.92
	Interest Income	(3.95)	(7.64)
	Loss/Gain on foreign currency transaction (net) Exchange	(135.52)	(10.36)
	Other non-operating income	-	(6.74)
	Operating Profit before Working Capital changes	**68.51**	**206.20**
	Adjustments for change in:		
	Trade and other receivables	(41.59)	(243.80)
	Inventories	(3.97)	(41.68)
	Trade and other payables	157.92	72.12
	Cash Generated from Operations	**180.87**	**(7.16)**
	Income Tax paid (net of refund)	30.22	30.68
	Net cash flow from Operating Activities	**150.65**	**(37.84)**
B.	**Cash flow from Investing Activities**		
	Purchase of Property, Plant and Equipment / Capital Work-in-Progress	(98.64)	(39.64)
	Proceeds from Sale of Property, Plant and Equipment	0.05	-
	Purchase of long term investments	-	(3.50)
	Sale/(purchase) of Current/Non-current Investments (net)	(32.35)	(2.86)
	Interest received	4.27	6.61
	Option Contract Received	-	2.81
	Payment to shareholder of Subsidiary companies	(4.86)	(1.80)
	Movement in Bank balances other than cash and cash equivalents	24.07	(144.42)
	Net cash used in Investing Activities	**(107.46)**	**(182.80)**
C.	**Cash flow from Financing Activities**		
	Issue of Share Capital	-	575.05
	Share application money received	12.85	7.97
	Proceeds from Long Term Borrowings	1.11	2.96
	Repayment of Long Term Borrowings	(312.75)	(238.19)
	Net increase/(decrease) in Cash Credit facilities and other Short Term Borrowings	283.65	41.69
	Finance Costs paid	(20.45)	(28.42)
	Dividends paid	(68.53)	
	Net Cash flow from Financing Activities	**(104.12)**	**361.06**
	Net increase / (Decrease) in cash and cash equivalents	**(60.93)**	**140.42**
	Cash and Cash equivalents - Opening Balance [Refer Note 15]	146.19	-
	Cash and Cash equivalents - Acquired Pursuant to Scheme of restructuring (Refer Note 50)	-	7.46
	Foreign exchange (gain)/loss on translating Cash and cash Equivalents	1.80	(1.69)
	Cash and Cash equivalents - Closing Balance [Refer Note 15]	**87.06**	**146.19**

Changes in liabilities arising from financing activities	INR crore	INR crore	INR crore	INR crore
Particulars	**31-03-2018**	**Cash flows**	**Other**	**30-09-2018**
Current borrowings	371.52	283.65	7.76	662.93
Non-Current borrowings (including Current Maturities)	478.38	(311.64)	2.21	168.95

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

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

CA Hemal Mehta
Partner
Membership No. 063404

Place: Kolkata
Date: 11-01-2019

BATLIBOI PUROHIT & DARBARI 7, Waterloo Street, Kolkata 700069 Chartered Accountants

For and on behalf of Board of Directors

Shashwat Goenka
Director
DIN: 03486121

Sanjiv Goenka
Chairman
DIN: 00074796

Suhail Sameer
Whole-time Director
DIN: 07238872

Sudip Ghosh
Company Secretary

Soumit Banerjee
Chief Financial Officer

NOTE-1 Corporate Information

CESC Ventures Limited (formerly RP-SG Business Process 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 (formerly RP-SG Business Process Services Limited) ('The Parent') & its subsidiaries and associates.

(a) Basis of preparation

(i) These special purpose interim consolidated financial statements of CESC Ventures Limited (formerly RP-SG Business Process Services Limited) for the period ended 30th September 2018 have been prepared in accordance with Ind AS 34 "Interim Financial Reporting" specified under Section 133 of Companies Act 2013 ("the Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2013 ("the Rules") as amended for the purpose of inclusion in the Information Memorandum to be filed with Stock Exchanges.

(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 and joint venture 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 associates and joint ventures 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(i) 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, joint venture 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 recognition

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 todate. 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.

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Revenue from debt collection services is recognized when debts are collected. Income from contingency based contracts, in which the client is invoiced for a percentage of the reimbursement, is recognized on completion of services. Unbilled receivables represent costs incurred and revenues recognized on contracts to be billed in subsequent periods as per the terms of the contract.

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.

Revenue from sale of goods and services

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances.

Goods and Services Tax (GST) are collected on behalf of the government and accordingly, it is excluded from revenue.

Properties Business:

Rental income arising from operating leases on let-out properties is accounted for on a straight line basis over the non-cancellable lease term and is included in revenue in the statement of profit and loss due to its operating nature.

In case of property development, when the outcome of the construction contract can be estimated reliably, contract revenue and cost associated with the said construction contract shall be recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period.

Other operating revenues are recognised based on contractual terms.

(f) 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 recognized 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).

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.

(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

Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

Lease payments received under operating leases are recognised as an income on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation. The respective leased assets are included in the balance sheet based on their nature.

(i) Business combinations

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.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

Goodwill on such business combinations is tested annually or more frequently if circumstances such warrant for impairment of each business acquired. The recoverable amount of business acquired are determined from Value-in-Use calculations. The key assumptions for the Value-in-Use calculations are those regarding the discount rates, growth rates & expected changes of selling prices & direct cost during the year.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Business combinations between entities under common control is accounted for at carrying value.

Transaction costs that the Company incurs in connection with a business combination such as legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

(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, stores and fuel held for use in production or resale are stated at the lower of cost and net realizable 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 extend 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, and
3. financial assets measured at fair value through other comprehensive income.

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 or Loss.

Financial instruments 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.

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Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

Investment in other equity instruments are measured at Fair Value through Other Comprehensive Income (FVTOCI). All fair value changes on such investments excluding dividends are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

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 instrument

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.

Cost of commitment for Borrowings of associates are recognised as a financial liability at the time such commitment is issued. The liability is initially measured at fair value and subsequently at the amount initially recognised less cumulative amortisation.

(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.

Rate of Depreciation/ Useful Life of Tangible Assets	
PARTICULARS	Useful Life of Assets
Buildings and Structures	60 Years
	In case of Lease 5 Years or lease term which is earlier
Plant and Equipment	2-25 Years
Furniture and Fixtures	1-10 Years
Office Equipment	2 - 5 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 as 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.

Rate of Depreciation/ Useful Life of Intangible Assets	
PARTICULARS	Useful Life of Assets
Brand	Infinite
Software	2 - 6 Years
Non - compete fees	5 Years
Distribution Right & Customer Contract	3 - 10 Years

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(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 to be issued during the financial year, adjusted for bonus elements in equity shares issued during the period and excluding treasury share. (Refer Note 42)

(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.
For each earnings per share amount presented in accordance with Ind AS 33, the Group presents additional basic and diluted earnings per share amounts that are calculated in the same way, except that those amounts excludes the net movement in the regulatory deferral account balances.

(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.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

(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.

(x) Cash Flow Statement

Cash flow statement are prepared using the indirect method where profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from Operating, Investing and Financing activities of the Group is segregated.

(y) Applicability of IndAS 115:

The Group adopted INDAS 115 Revenue from contract with customers (INDAS 115) on 1st April 2018 using the full retrospective method. The application of INDAS 115 has no impact on recognition and measurement of revenue post implementation and accordingly, no adjustment is required to be done in retained earnings as at 1 April 2018 and its comparatives under the previous standards.

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 assumption 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(i)
Estimates used in actuarial valuation -Refer Note 36
Estimates of useful life of tangible and intangible assets - Refer Note 5 & 7
Recognition of DTA for carry_forward of tax losses - Refer Note 41
Business combination under Ind AS 103 - Refer Note 2(i)
Estimated Fair Valuation of certain Investments - Note 2(i)

NOTE 4 The subsidiaries and associates considered in the preparation of the Consolidated Financial Statements are:

A

Sl. No.	Name of Subsidiaries and Associates	Country of Incorporation	Percentage of ownership interest as at 30th September, 2018
1	Quest Properties India Limited. (QPL)	India	100.00
2	Metromark Green Commodities Private Limited(100% subsidiary of QPL)	India	100.00
3	Guiltfree Industries Limited (GIL)	India	100.00
4	Apricot Foods Private Limited (70% subsidiary of GIL)	India	70.00
5	Bowlopedia Restaurants India Limited	India	100.00
6	Firstsource Solutions Limited (FSL)	India	54.17
7	Firstsource Group USA Inc (FG US) (100% subsidiary of FSL)	USA	54.17
8	Firstsource BPO Ireland Limited (100% subsidiary of FSL)	Ireland	54.17
9	Firstsource Solutions UK Limited (FS UK).(100% subsidiary of FSL)	UK	54.17
10	Firstsource Process Management Services Limited (100% subsidiary of FSL)	India	54.17
11	Firstsource-Dialog Solutions Pvt. Limited (74% subsidiary of FSL)	Sri Lanka	40.09
12	Firstsource Business Process Services,LLC (FBPS) (100% subsidiary of FG US)	USA	54.17
13	Firstsource Solutions USA LLC (100% subsidiary of MH Inc.)	USA	54.17
14	Firstsource Advantage LLC (100% subsidiary of FBPS)	USA	54.17
15	Firstsource Transaction Services LLC (100% subsidiary of FS SA)	USA	54.17
16	Firstsource Solutions S.A.(FS SA) (99.98% subsidiary of FS UK)	Argentina	54.16
17	Medassit Holding LLC (MH Inc) (100% subsidiary of FG US)	USA	54.17
18	One Advantage LLC, (100% subsidiary of FBPS)	USA	54.17
19	ISGN Solutions Inc. (100% subsidiary of FG US)	USA	54.17
20	ISGN Fulfillment Services, Inc. (100% subsidiary of ISGN Solutions Inc.)	USA	54.17
21	ISGN Fulfillment Agency, LLC (100% subsidiary of ISGN Fulfillment Services, Inc)	USA	54.17
22	Nanobi Data and Analytics Private Limited (21.79% associate of FSL)	India	11.80

NOTE - 5 PROPERTY PLANT AND EQUIPMENT

Rs in Crore

PARTICULARS	GROSS BLOCK AT COST/ DEEMED COST						DEPRECIATION / AMORTISATION						NET BLOCK	
	As at 1st April, 2018	Additions/ Adjustments on Acquisition	Additions/ Adjustments	Foreign Exchange Translation Effect	Withdrawals/ Adjustments	As at 30th September, 2018	As at 1st April, 2018	Additions/ Adjustments on Acquisition	Additions/ Adjustments	Foreign Exchange Translation Effect	Withdrawals/ Adjustments	As at 30th September, 2018	As at 30th September, 2018	As at 31st March, 2018
Land														
Freehold	23.68	-	-	-	0.02	23.66	-	-	-	-	-	-	23.66	23.68
Leasehold	0.55	-	-	-	-	0.55	0.25	-	0.01	-	-	0.26	0.29	0.30
Buildings and Structures	500.60	-	4.37	7.39	0.13	512.23	150.39	-	9.24	6.44	0.01	166.06	346.17	350.21
Plant and Equipment	239.29	-	4.31	7.59	0.10	251.09	143.03	-	6.58	6.90	0.07	156.44	94.65	96.26
Computers	184.03	-	5.88	12.79	0.01	202.69	165.89		6.28	11.98	0.01	184.14	18.55	18.14
Furniture and Fixtures	70.37	-	2.32	4.51	-	77.20	61.73	-	2.08	4.19	-	68.00	9.20	8.64
Office Equipment	114.56	-	3.84	4.84	0.01	123.23	97.44	-	3.81	4.16	0.01	105.40	17.83	17.12
Vehicles	2.76	-	0.08	0.06	0.02	2.88	1.70	-	0.17	0.06	0.02	1.91	0.97	1.06
	1,135.84	-	20.80	37.18	0.29	1,193.53	620.43	-	28.17	33.73	0.12	682.21	511.32	515.41
Previous period	-	1,167.89	30.27	8.31	70.63	1,135.84	-	646.21	25.10	5.70	56.58	620.43	515.41	

NOTE - 6 INVESTMENT PROPERTY

Rs in crore

PARTICULARS	GROSS BLOCK AT COST/ VALUATION						DEPRECIATION / AMORTISATION						NET BLOCK	
	As at 1st April, 2018	Additions/ Adjustments on Acquisition	Additions/ Adjustments	Foreign Exchange Translation Effect	Withdrawals/ Adjustments	As at 30th September, 2018	As at 1st April, 2018	Additions/ Adjustments on Acquisition	Additions/ Adjustments	Foreign Exchange Translation Effect	Withdrawals/ Adjustments	As at 30th September, 2018	As at 30th September, 2018	As at 31st March, 2018
Buildings and Structures	57.34	-	-	-	-	57.34	0.63	-	0.46	-	-	1.09	56.25	56.71
	57.34	-	-	-	-	57.34	0.63	-	0.46		-	1.09	56.25	56.71
Previous period	-	57.34	-	-	-	57.34	-	0.18	0.45	-	-	0.63	56.71	-

One of the subsidiaries of the group has identified its building located in Godrej BKC (Mumbai), as investment property. The fair value of the property at Mumbai has been derived using the market comparable rate of the surrounding area as at 30th September 2018 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 30th September 2018 are as follows:

Particular	Level of hierarchy for valuation	Fair value (Rs in Crore)
Commercial unit located in Mumbai	Level 1	64.00

NOTE - 7 INTANGIBLE ASSETS

Rs in crore

PARTICULARS	GROSS BLOCK AT COST/ VALUATION						AMORTISATION						NET BLOCK	
	As at 1st April, 2018	Additions/ Adjustments on Acquisition	Additions/ Adjustments	Foreign Exchange Translation Effect	Withdrawals/ Adjustments	As at 30th September, 2018	As at 1st April, 2018	Additions/ Adjustments on Acquisition	Additions/ Adjustments	Foreign Exchange Translation Effect	Withdrawals/ Adjustments	As at 30th September, 2018	As at 30th September, 2018	As at 31st March, 2018
Other Intangible Assets														
Brands/Trademarks	242.81	-	-	0.12	-	242.93	4.70	-	0.82	0.13	-	5.65	237.28	238.11
Distribution & Customer Contracts	32.11	-	-	1.22	-	33.33	9.37	-	2.97	0.79	-	13.13	20.20	22.74
Computer Software	235.26		6.21	13.98	-	255.45	177.86	-	13.62	11.95	0.02	203.41	52.04	57.40
Non-Compete Fee	5.43	-	-	-	-	5.43	1.02	-	0.54	-	-	1.56	3.87	4.41
TOTAL	515.61	-	6.21	15.32	-	537.14	192.95	-	17.95	12.87	0.02	223.75	313.39	322.66
Previous period	-	506.46	19.32	2.40	12.57	515.61	-	185.20	18.63	1.48	12.36	192.95	322.66	-

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Rs In Crore

		As at 30th September, 2018	As at 31st March,2018
NOTE - 8	**NON CURRENT INVESTMENTS**		
a	**Investments carried at fair value through other comprehensive income**		
	Investments in Equity Instruments - Unquoted		
	1670 (31.03.2018 : 1670) fully paid Equity Shares of HW Wellness Solutions Pvt Ltd of Rs 10 each	3.50	3.50
b	**Investments in associate - Unquoted - carried at cost**		
	1,000 (31.03.2018 : 1,000) fully paid Equity Shares of Rs 10 each of Nanobi Data and Analytics Private Limited	0.01	0.01
	739,506 (31.03.2018 : 739,506) fully paid Compulsorily Convertible Cumulative Preference Shares of Rs 10 each of Nanobi Data and Analytics Private Limited	8.79	8.79
c	**Investments carried at amortised cost - Unquoted**		
	100,000 (31.03.2018 : 100,000) fully paid Optionally Convertible Debentures of Rs 100 each of Nanobi Data and Analytics Private Limited	1.00	1.00
d	**Others - Unquoted**		
	Philippines treasury bills**	2.41	2.46
		15.71	**15.76**

** These securities have been earmarked in favour of SEC, Philippines in compliance with Corporation Code of Philippines.

	Investment in unquoted investments:		
	Aggregate Book value	**15.71**	**15.76**

NOTE - 9	**NON CURRENT - LOANS**		
	Unsecured considered good		
a	Security Deposit	0.84	0.53
b	Loans to employees	0.02	0.02
		0.86	**0.55**

NOTE -10	**OTHER NON CURRENT FINANCIAL ASSETS**		
	Unsecured , considered good		
a	Security Deposits	30.50	30.73
b	Other assets		
	Lease Receivables	2.52	2.72
	Others	-	1.44
c	Bank deposit with more than 12 months maturity	0.02	54.12
		33.04	**89.01**

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Rs in crore

		As at 30th September, 2018	As at 31st March,2018
NOTE -11	**OTHER NON CURRENT ASSETS**		
a	Capital Advances	227.21	155.82
b	Advances other than capital advances		
	Security Deposits	0.56	1.00
	Unexpired Rebate	62.84	63.30
	Prepaid Expenses	4.86	3.13
	Others	0.72	0.38
		296.19	**223.63**
NOTE -12	**INVENTORIES**		
a	Raw Materials	21.55	18.06
b	Work-in-progress	12.80	12.61
c	Stores and Spares	0.54	0.66
d	Traded Goods	0.37	0.19
e	Finished Stock	12.91	10.09
f	Packing Materials	0.09	0.06
		48.26	**41.67**
	Less : Provision for obsolete stock of Traded Goods and Packing Materials	2.62	-
		45.64	**41.67**
NOTE -13	**CURRENT INVESTMENTS**		
	Investments in Mutual funds carried at fair value through profit and loss (Quoted)	149.64	112.08
		149.64	**112.08**
	Investment in quoted investments:		
	Aggregate Book value	149.64	112.08
	Aggregate Market value	149.64	112.08
NOTE -14	**TRADE RECEIVABLES**		
a.	Secured , considered good	13.05	7.57
b.	Unsecured , considered good	462.41	393.40
c.	Credit Impaired	18.78	16.35
		494.24	**417.32**
	Less : Allowances for credit impaired assets	18.78	16.35
		475.46	**400.97**

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Rs in crore

		As at 30th September, 2018	As at 31st March,2018
NOTE-15	**CASH AND CASH EQUIVALENTS**		
a.	Balances with banks		
	- In current accounts	90.36	153.21
	- Bank Deposits	6.50	-
b.	Cash on hand	0.11	0.18
c	Others - Remittances-in-transit	0.01	-
d	Escrow accounts	0.36	0.74
		97.34	**154.13**
	Less: Current account balance held in trust for customers in respect of certain subsidiaries	10.28	7.94
		87.06	**146.19**

		As at 30th September, 2018	As at 31st March,2018
NOTE-16	**BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**		
	Bank Deposits with original maturity more than 3 months but less than 12 months	66.23	90.30
		66.23	**90.30**

		As at 30th September, 2018	As at 31st March,2018
NOTE-17	**LOANS**		
	Unsecured, considered good		
	Security Deposits	0.07	0.08
	Loans to employees	1.02	0.77
		1.09	**0.85**

		As at 30th September, 2018	As at 31st March,2018
NOTE-18	**OTHER FINANCIAL ASSETS**		
	Unsecured, considered good		
	Lease Receivables	1.51	1.50
	Interest accrued on Bank Deposits	3.57	2.39
	Amount recoverable pursuant to scheme of restructuring (Refer Note 50)	35.00	85.00
	Unbilled Receivable	176.89	152.85
	Claims Receivable	7.19	7.22
	Advances to related parties	0.52	0.44
	Other Financial Assets	0.16	0.21
		224.84	**281.33**

		As at 30th September, 2018	As at 31st March,2018
NOTE-19	**OTHER CURRENT ASSETS**		
	Advance for goods and services	3.12	4.22
	Balance With Government Authorities	39.75	25.90
	Deferred Contract Cost	23.55	17.45
	Prepaid Expenses	30.22	39.32
	Advances to employees	0.78	0.62
	Others	3.50	5.35
		100.92	**92.86**

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Rs in Crore

		As at 30th September, 2018	As at 31st March, 2018
NOTE - 20 A	**EQUITY SHARE CAPITAL**		
	Authorised Share Capital		
	125,00,00,000 Equity Shares of Rs 10 each	**1,250.00**	**1,250.00**
NOTE - 20 B	**EQUITY SHARE SUSPENSE**	26.51	26.51
	Shares to be issued pursuant to the scheme of restructuring (Refer Note 50)		
		26.51	**26.51**

2,65,11,409 Equity Shares of Rs. 10/- each amounting to Rs. 2651.14 Lakh is the proposed share capital of the company post its restructuring effective from 1st October 2017. The Company is in the process of listing its shares with the recognized Stock Exchanges in India. Hence, the balance lying in the share capital stands unalloted and disclosed under "Equity Share Suspense". The same have been allotted on 14th November 2018.

		As at 30th September, 2018	As at 31st March, 2018
NOTE -21	**OTHER EQUITY**		
A			
a	Capital reserve	1,420.51	1,420.51
b	Others		
	Effective portion of cash flow hedges	(27.61)	(3.31)
	Foreign Currency Translation Reserve	293.11	227.52
	Employee stock option reserve	5.69	6.56
	Other reserve	1.65	1.66
	FVTOCI reserve	0.34	0.34
	Retained Earnings	528.46	493.27
		2,222.15	**2,146.55**

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NOTE - 21 OTHER EQUITY ...Contd.

Rs In Crore

B

	As at 30th September, 2018	As at 31st March,2018
i Capital reserve	1,420.51	-
Add : Pursuant to the scheme of restructuring (refer Note 50)	-	1,420.51
	1,420.51	**1,420.51**
ii Effective portion of cash flow hedges	(3.31)	-
Add : Pursuant to the scheme of restructuring (refer Note 50)	-	15.55
Add / (Less) : Movement during the period	(24.30)	(18.86)
	(27.61)	**(3.31)**
iii Foreign Currency Translation Reserve	227.52	-
Add : Pursuant to the scheme of restructuring (refer Note 50)	-	217.92
Add: Movement during the period	65.59	9.60
	293.11	**227.52**
iv Employee stock option reserve	6.56	-
Add : Pursuant to the scheme of restructuring (refer Note 50)	-	8.14
Add / (less) : Movement during the period	(0.87)	(1.58)
	5.69	**6.56**
v Other reserve	1.66	-
Add : Pursuant to the scheme of restructuring (refer Note 50)	-	1.67
Add / (Less) : Movement during the period	(0.01)	(0.01)
	1.65	**1.66**
vi FVTOCI reserve	0.34	-
Add/ (less) : Re-measurements through OCI	-	0.34
	0.34	**0.34**
vii Retained Earnings		
Surplus at the beginning of the period	493.27	415.87
Add: Profit for the period	44.32	75.56
Add: Share option outstanding liability (reversed)	-	0.50
Add: Consequent to change in group interest	2.78	0.66
(Less): Share of tax on Dividend of Subsidiary	(11.53)	-
Add: Re-measurement gain/(loss) of the net defined benefit plans - OCI	(0.38)	0.68
	528.46	**493.27**
	2,222.15	**2,146.55**

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Rs in Crore

		As at 30th September, 2018	As at 31st March, 2018
NOTE - 22	**NON CURRENT BORROWINGS**		
A	**Secured at amortised Cost**		
	Term Loans		
(i)	Rupee Term loans - from banks	145.68	155.08
(ii)	Foreign Currency Loan - from banks	-	292.69
(iii)	Finance Lease obligations	2.00	8.12
		147.68	455.89
B	**Unsecured**		
(i)	Rupee Term loans - from financial institutions	21.27	22.49
	Total	168.95	478.38
Less :	Current maturities of long term borrowings (including finance lease obligation 30.09.2018 : Rs 2 crore, 31.03.2018 : Rs 5.24 crore) transferred to Other Current Financial Liabilities (refer Note 28)	34.07	328.03
Less :	Unamortised Front end Fees	0.76	0.89
		134.12	149.46

C **Nature of Security :**

1 Out of the Term Loan in (A) above, Rs 145.68 crore (31.03.2018: Rs 155.08 crore) in respect of one of the subsidiary, is secured by way of hypothecation with an exclusive charge on all movable fixed assets, current assets, and scheduled receivables of the subsidiary with respect to their Mall project, both present & future.

2 Term Loan of Nil (31.03.2018: Rs 292.69 crore) in (A) above, in respect of one of the subsidiary, was secured against pari passu charge on all current assets, non-current assets and fixed assets of certain subsidiaries and guarantee given by the subsidiary.

3 Finance lease obligation amounting to Rs 2.00 Crore (31.03.2018: Rs 8.12 crore) in (A) above, in respect of one of the subsidiary, is secured by way of hypothecation of underlying fixed assets taken on lease.

Maturity profile of Non Current Borrowings / finance lease obligations outstanding as at 30th September, 2018 — Rs in crore

Particulars	Rupee Term Loan from Banks	Rupee Term Loan from Financial Institutions	Finance Lease Obligations	Foreign Currency Loans	Total	Current Maturities of borrowing
Residual maturity of upto one year	-	-	-	-	-	-
Residual maturity between 1 and 3 years	-	21.27	2.00	-	23.27	13.68
Residual maturity between 3 and 5 years	-	-	-	-	-	-
Residual maturity between 5 and 10 years	145.68	-	-	-	145.68	20.39
Residual maturity beyond 10 years	-	-	-	-	-	-
Total	145.68	21.27	2.00	-	168.95	34.07

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Maturity profile of Non Current Borrowings / finance lease obligations outstanding as at 31st March, 2018

Rs in crore

	Rupee Term Loan from Banks	Rupee Term Loan from Financial Institutions	Finance Lease Obligations	Foreign Currency Loans	Total	Current Maturities
Residual maturity of upto one year	-	-	-	292.69	292.69	292.69
Residual maturity between 1 and 3 years	-	22.49	8.12	-	30.61	16.38
Residual maturity between 3 and 5 years	-	-	-	-	-	-
Residual maturity between 5 and 10 years	155.08	-	-	-	155.08	18.96
Residual maturity beyond 10 years	-	-	-	-	-	-
Total	**155.08**	**22.49**	**8.12**	**292.69**	**478.38**	**328.03**

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

Long term borrowings included above are repayable in periodic instalments over the maturity period of the respective loans

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Rs in Crore

		As at 30th September, 2018	As at 31st March,2018
NOTE -23	**OTHER NON CURRENT- FINANCIAL LIABILITIES**		
	Security Deposit against contracting service	31.83	31.39
	Rent Payable- User Fee	55.85	56.37
	Payable for acquisition of shares in subsidiary company *	3.30	3.19
	Derivatives liability	47.28	16.15
		138.26	**107.10**

* During the period ended March 31st,2018, one of the subsidiaries had acquired 70% stake in Gujarat based Apricot Foods Private Limited for 31,362.51 lakhs (including all transfer and registration fees). A part of the purchase consideration is yet to be paid to the erstwhile shareholders of the Apricot Foods Private Limited

NOTE -24	**NON CURRENT- PROVISIONS**		
	Provision for employee benefits	12.13	10.52
		12.13	**10.52**

NOTE -25	**OTHER NON CURRENT LIABILITIES**		
	Advance from consumers	0.29	-
	Unearned Rent - Non current	0.02	-
	Advance from Tenant	0.14	0.14
		0.45	**0.14**

NOTE -26	**CURRENT- BORROWINGS**		
A	**Secured**		
	Loans repayable on demand from banks (Refer Note C)	4.18	3.07
B	**Unsecured**		
	Loans repayable on demand from banks	658.75	368.45
		662.93	**371.52**

C **Nature of Security**

The overdraft facilities in respect of one of the subsidiary amounting to Rs 3.43 crore (31.03.2018: Rs 3.07 crore) in (A) above, is secured against bank deposits of Rs 5 crore of the subsidiary and cash credit facility amounting to Rs 0.75 crore (31.03.2018: Nil) is secured by first pari passu charge on the entire current assets of the subsidiary.

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Rs In crore

		As at 30th September, 2018	As at 31st March,2018
NOTE - 27	**TRADE PAYABLES**		
a.	Total outstanding dues to micro enterprises and small enterprises	-	-
b.	Total outstanding dues of creditors other than micro enterprises and small enterprises	181.66	138.63
		181.66	**138.63**

NOTE- 28	**OTHER FINANCIAL LIABILITIES**		
a	Current maturities of long-term debt	32.07	322.79
b	Current maturities of finance lease obligations	2.00	5.24
c	Interest accrued but not due on borrowings	0.36	0.42
d	Sundry Deposits	-	0.27
e	Payable to employees	118.93	127.83
f	Others**	65.21	15.69
		218.57	**472.24**

** Others include current portion of liabilities on capital account, liabilities towards contractual obligations, etc.

NOTE- 29	**OTHER CURRENT LIABILITIES**		
a.	Statutory dues	49.04	43.88
b.	Employee benefits	-	0.06
c.	Advance from Customers	3.03	7.49
d.	Other Payables	6.14	6.70
		58.21	**58.13**

NOTE - 30	**CURRENT PROVISIONS**		
	Provision for employee benefits *	35.67	34.14
		35.67	**34.14**

* includes Rs. 0.29 Crores (Previous period : 0.22 Crores) relates towards Other Short term Provisions

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NOTE - 31 CONTINGENT LIABILITIES AND COMMITMENTS

a Commitments of the Company on account of estimated amount of contracts remaining to be executed on capital account not provided for amounting to Rs 81.91 crore (31.03.2018: Rs 29.21 crore)

b Other money for which the Group is contingently liable :

Rs in Crore

Particulars	As at 30th September, 2018	As at 31st March, 2018
- Income Tax (refer Note below)	92.51	92.76
- Service tax demands under appeal	17.21	17.21
- Property, Plant & Equipment	3.76	13.99
- Claim against the Group not acknowledged as debt	0.14	0.14
- Bank Guarantee	17.23	16.50
- 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	1.28
- Commitments relating to endorsements	6.00	9.00

Note :

Income Tax demands under appeal, pending in different forums, in respect of which the subsidiaries / associate do not expect any unfavourable outcome.

One of the subsidiaries has paid Tax under protest for various assessment years amounting to Rs 10.29 crore (31.03.2018 : Rs 10.29 crore)

Rs in crore

		1 April 2018 to 30 September 2018	7 February 2017 to 31 March 2018
NOTE - 32	**REVENUE FROM OPERATIONS**		
a	Sale of FMCG products	195.58	118.67
b	Sale of services	1,880.88	1,759.56
c	Mall operations	51.46	55.14
d	Contracting Service	8.36	10.04
e	Others	23.67	50.08
		2,159.95	**1,993.49**

NOTE- 33	**OTHER INCOME**		
a	Interest Income	3.95	7.64
b	Gain on sale/fair value of current investments (net)	5.54	3.49
c	Profit on sale of assets (net)	-	0.48
d	Other Non -operating Income	0.28	0.45
		9.77	**12.06**

NOTE - 34	**COST OF MATERIALS CONSUMED IN FMCG BUSINESS**		
	Opening Stock of Raw Material & Packing Material	18.12	6.13
	Add :Purchases	130.65	107.35
	Less :Closing stock of Raw Material & Packing Material	21.64	18.12
		127.13	**95.36**

NOTE - 35	**CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK- IN -PROGRESS IN FMCG BUSINESS**		
	(Increase)/decrease in stocks		
	Stock at the beginning of the period :		
	Finished Goods	10.55	3.58
	Stock -in-trade	0.00	1.00
	Work-in-progress	13.27	-
	Total (A)	**23.82**	**4.58**
	Less :Stock at the end of the period :		
	Finished Goods	12.91	10.56
	Stock -in-trade	-	-
	Work-in-progress	13.34	0.15
	Total (B)	**26.25**	**10.71**
	(Increase)/ Decrease in stocks (A-B)	**(2.43)**	**(6.13)**

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NOTE -36 EMPLOYEE BENEFIT EXPENSES

Rs in Crore

		1 April 2018 to 30 September 2018	7 February 2017 to 31 March 2018
a	Salaries, wages and bonus	1,190.99	1,138.70
b	Contribution to provident and other funds	59.54	51.82
c	Employees' welfare expenses	57.63	50.40
		1,308.16	1,240.92
	Less : Allocated to PPE / CWIP etc.	-	0.45
		1,308.16	1,240.47
	Less Transfer to Other Comprehensive Income*	0.09	1.16
		1,308.07	1,239.31

*As per Ind AS 19, Actuarial gain or loss on post retirement defined benefit Plan has been recognised in Other Comprehensive Income.

(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 Rs. 13.71 crore, (previous period: Rs. 8.54 crore.) on this account in the Statement of Profit and Loss.

(ii) **Defined benefit plans**

No additional liability has been recognised as interest rate announced by PF trust is higher than the statutory rate announced by Employee Provident Fund

(iii) <u>The amounts recognised in the balance sheet and the movements in the total defined benefit obligation over the period are as follows:</u>

Rs in Crore

	1 April 2018 to 30 September 2018			7 February 2017 to 31 March 2018		
Gratuity (Funded)	**Present value of obligation**	**Fair value of plan assets**	**Total amount**	**Present value of obligation**	**Fair value of plan assets**	**Total amount**
Opening Balance	**15.40**	**(4.63)**	**10.77**			-
Add : Amount added pursuant to scheme of restructuring	-	-	-	15.41	(3.40)	12.01
Current service cost	1.91	-	1.91	1.97	0.13	2.10
Interest expense/(income)	0.20	(0.00)	0.20	0.52	(0.08)	0.44
Past service cost	-	-	-	0.04	-	0.04
Total amount recognised in profit or loss	**2.11**	**(0.00)**	**2.11**	**2.53**	**0.05**	**2.58**
Remeasurements						
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	-	0.02	0.02
(Gain)/loss from change in demographic assumptions	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	0.04	-	0.04	-1.04	-	-1.04
Experience (gains)/losses	(0.02)	(0.00)	(0.02)	-0.09	-	-0.09
Total amount recognised in other comprehensive income	**0.02**	**(0.00)**	**0.02**	**(1.13)**	**0.02**	**(1.11)**
Employer contributions	-	-	-	-	(2.72)	(2.72)
Benefit payments	(0.05)	-	-0.05	(1.42)	1.42	-
Closing Balance	**17.48**	**(4.63)**	**12.85**	**15.39**	**-4.63**	**10.76**

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Rs in Crore

	1 April 2018 to 30 September 2018	7 February 2017 to 31 March 2018
Leave Obligation (Unfunded)	**Present value of obligation**	
Opening Balance	32.58	
Add : Amount added pursuant to scheme of restructuring		32.81
Current service cost	0.93	0.81
Interest expense/(income)	0.08	0.06
Past service cost	-	-
Remeasurements	-	
(Gain)/loss from change in demographic assumptions	0.03	-
(Gain)/loss from change in financial assumptions	0.03	0.28
Experience (gains)/losses	-	(1.36)
Total amount recognised in profit or loss	**1.07**	**(0.21)**
Employer contributions		(0.02)
Benefit payments	(0.11)	-
Closing Balance	33.54	32.58

Rs in Crore

	Post retirement medical benefit		Pension	
	1 April 2018 to 30 September 2018	7 February 2017 to 31 March 2018	1 April 2018 to 30 September 2018	7 February 2017 to 31 March 2018
Opening Balance	0.90	-	0.20	
Add : Amount added pursuant to restructuring of arrangement	-	0.90	0.00	0.20
Current service cost	0.01	0.01	0.01	0.00
Interest expense/(income)	0.03	0.03	0.01	0.01
Past Service Cost	-	-	-	-
Total amount recognised in profit or loss	**0.04**	**0.04**	**0.02**	**0.01**
Remeasurements				
(Gain)/loss from change in financial assumptions	(0.02)	(0.03)	(0.02)	0.02
Experience (gains)/losses	(0.03)	(0.01)	0.03	(0.02)
Total amount recognised in other comprehensive income	**(0.05)**	**(0.04)**	**0.01**	**(0.01)**
Employer contributions	-	-	-	-
Benefit payments	-	-	-	-
Closing Balance	0.89	0.90	0.23	0.20

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

Rs in Crore

	1st year	Between 2-5 years	Between 6-10 years	More than 10 years	Total
30-Sep-18					
Defined benefit obligation (gratuity)	1.05	0.52	1.49	4.08	7.14
Leave obligation	0.29	0.14	0.38	2.41	3.22
Post-employment medical benefits	-	0.02	0.12	0.60	0.74
Pension	-	-	0.11	0.31	0.42
Total	**1.34**	**0.68**	**2.10**	**7.40**	**11.52**
31-Mar-18					
Defined benefit obligation (gratuity)	0.16	2.48	2.65	5.72	11.01
Leave obligation	0.09	0.72	0.88	2.00	3.69
Post-employment medical benefits	-	0.03	0.24	1.18	1.45
Pension	-	-	0.20	0.40	0.60
Total	**0.25**	**3.23**	**3.97**	**9.30**	**16.75**

(v) **Sensitivity Analysis**

Gratuity	Gratuity		Leave Obligation		Post-employment medical benefits		Pension	
	30-Sep-18	31-Mar-18	30-Sep-18	31-Mar-18	30-Sep-18	31-Mar-18	30-Sep-18	31-Mar-18
DBO at 31st March with discount rate +1%	3.04	4.54	1.17	1.69	0.40	0.80	0.12	0.18
Corresponding service cost	0.12	0.10	0.06	0.05	0.01	0.01	0.00	0.00
DBO at 31st March with discount rate -1%	3.48	5.08	1.39	1.95	0.50	1.01	0.14	0.21
Corresponding service cost	0.15	0.13	0.08	0.06	0.02	0.02	0.01	0.00
DBO at 31st March with +1% salary escalation	3.48	5.13	1.39	1.99	0.50	1.01	-	-
Corresponding service cost	0.15	0.13	0.08	0.06	0.02	0.02	-	-
DBO at 31st March with -1% salary escalation	3.03	4.48	1.16	1.66	0.40	0.80	-	-
Corresponding service cost	0.12	0.10	0.06	0.05	0.01	0.01	-	-
DBO at 31st March with +50% withdrawal rate	3.25	4.80	1.27	1.86	0.44	0.89	-	-
Corresponding service cost	0.13	0.11	0.07	0.05	0.01	0.01	-	-
DBO at 31st March with -50% withdrawal rate	3.24	4.79	1.27	1.83	0.45	0.90	-	-
Corresponding service cost	0.13	0.11	0.07	0.05	0.02	0.02	-	-
DBO at 31st March with +10% mortality rate	3.24	4.80	1.27	1.86	0.43	0.87	0.13	0.19
Corresponding service cost	0.13	0.11	0.07	0.05	0.01	0.01	0.00	0.00
DBO at 31st March with -10% mortality rate	3.24	4.79	1.27	1.82	0.46	0.92	0.14	0.20
Corresponding service cost	0.13	0.11	0.07	0.05	0.02	0.02	0.00	0.00

The above sensitivity analyses 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.

The methods & types of assumptions used in the Sensitivity analysis did not change compared to the prior period.

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(vi) **Actuarial assumptions**

1 April 2018 to 30 September 2018				
Particulars	**Gratuity**	**Leave obligation**	**Medical**	**Pension**
Discount rate current year (%)	7.7% to 8.23%	7.7% to 8.23%	8.20%	8.20%
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

7 February 2017 to 31 March 2018				
Particulars	**Gratuity**	**Leave obligation**	**Medical**	**Pension**
Discount rate current year (%)	7.6% to 7.6%	7.60%	7.60%	7.60%
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	**For the quarter ended 30th September 2018**	**7 February 2017 to 31 March 2018**
Employees Gratuity Fund	16.87	17.61
Executive Gratuity Fund	7.88	8.69
Leave Encashment	11.38	12.22
PRMB - Non Cov	16.82	17.61
PRMB - Cov	14.15	14.69
Pension	25.35	14.48

(vii) **Risk exposure**

The Plans in India is 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.

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Rs In crore

		1 April 2018 to 30 September 2018	7 February 2017 to 31 March 2018
NOTE- 37	**FINANCE COSTS**		
a	Interest expense	20.41	27.85
b	Other Borrowing Costs	0.24	0.07
		20.65	**27.92**
NOTE- 38	**DEPRECIATION AND AMORTISATION EXPENSES**		
a	Depreciation/ amortisation on tangible assets	28.63	25.55
b	Amortisation on intangible assets	17.95	18.63
		46.58	**44.18**
	Less : Allocated to PPE / CWIP etc.	0.01	0.01
		46.57	**44.17**
NOTE- 39	**OTHER EXPENSES**		
a	Electricity Expenses	21.70	21.07
b	Advertisement & Sales Promotion	96.46	52.13
c	Consumption of stores and spares	0.64	0.81
d	Repairs		
	Building	0.76	0.71
	Plant and Machinery	0.96	1.12
	Others	31.16	32.53
		32.88	**34.36**
e	Insurance	6.75	10.35
f	Rent	69.22	63.37
g	Rates and taxes	10.94	11.97
h	Bad debts / Advances written off	-	3.73
i	Loss on sale / disposal of assets (net)	0.12	0.01
j	Allowances for doubtful debts, deposits, slow moving items etc	0.76	0.16
k	Audit Fees	1.11	0.99
l	Corporate social responsibility activities	2.06	1.76
m	Travelling and conveyance	48.40	52.29
n	Information & Communication	65.77	67.72
o	Computer Expenses	35.90	23.99
p	Legal & Professional	18.58	33.59
q	Printing & Stationery	6.09	5.80
r	Miscellaneous expenses	101.21	63.20
		518.59	**447.30**
	Less : Allocated to PPE / CWIP etc.	-	0.53
		518.59	**446.77**

NOTE 40 Business Segments Information

Rs in Crore

	Process Outsourcing		FMCG		Property		Total	
	1 April 2018 to 30 September 2018	7 February 2017 to 31 March 2018	1 April 2018 to 30 September 2018	7 February 2017 to 31 March 2018	1 April 2018 to 30 September 2018	7 February 2017 to 31 March 2018	1 April 2018 to 30 September 2018	7 February 2017 to 31 March 2018
Segment Revenue	1,904.55	1,809.63	195.58	118.67	59.82	65.60	2,159.95	1,993.90
Intersegment Revenue	-	-	-	-	-	(0.41)	-	(0.41)
Total Segment Revenue	1,904.55	1,809.63	195.58	118.67	59.82	65.19	2,159.95	1,993.49
Segment Result Before Depreciation, Interest, Tax & OCI	269.57	253.08	(85.24)	(56.92)	26.09	32.82	210.42	228.98
Depreciation (including amortisation of Intangible assets)	36.40	34.41	3.90	3.97	6.27	5.79	46.57	44.17
Segment Result Before Interest, Tax and exceptional items	233.17	218.67	(89.14)	(60.89)	19.82	27.03	163.85	184.81
Less : Unallocated Finance cost							20.65	27.92
Add : Share in net Profit of associate							-	-
Profit before Taxation and Minority Interest							143.20	156.89
Provision for taxation including Deferred tax							16.00	(6.81)
Profit after Taxation before Minority Interest							127.20	163.70
Other Comprehensive Income /(expense) (Net)							78.20	(12.87)
Segment Assets	1,340.61	1,416.20	500.28	557.60	503.77	505.03	2,344.66	2,478.83
Unallocated Assets							2,672.83	2,298.54
Total Assets							5,017.49	4,777.37
Segment Liabilities	421.92	318.78	77.37	60.01	90.46	113.81	589.75	492.60
Unallocated Liability							959.22	968.03
Total Liabilities							1,548.97	1,460.63

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.

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NOTE- 41 Income Tax Expenses

i) Income tax recognised in profit or loss

Rs In crore

Tax expense	1 April 2018 to 30 September 2018	7 February 2017 to 31 March 2018
Current tax	30.94	31.02
Deferred tax-(Income) / expense	(14.94)	(37.83)
Total income tax expense	**16.00**	**(6.81)**

ii) Income tax recognised in OCI

(Rs In crore)

Tax expense	1 April 2018 to 30 September 2018	7 February 2017 to 31 March 2018
Current tax	(0.08)	(0.03)
Deferred tax-(Income) / expense	9.97	15.83
Total income tax expense	**9.89**	**15.80**

The major components of net Deferred Tax Assets / (Liabilities) based on the timing difference as at 30th September, 2018 are as under :

Rs In crore

Deferred Tax Liabilities	As at March 31, 2018	Recognised through P&L*	Recognised through OCI	Others	As at September 30, 2018
Liabilities					
Excess of tax depreciation over book depreciation	(189.15)	(16.55)	-	-	(205.70)
Re-measurement of Defined Benefit Plans	(0.03)	(0.08)	-	-	(0.11)
On Business Combination	(97.67)	-	-	-	(97.67)
Other Timing difference	(0.22)	(0.13)	-	-	(0.35)
Assets					
Business loss and Unabsorbed depreciation	174.77	26.94	-	-	201.71
Other Timing Differences	10.57	1.80	-	-	12.37
Deferred Tax Liability (Net)	**(101.73)**	**11.98**	-	-	**(89.75)**

* excludes foreign exchange translation difference

(Rs In crore)

Deferred Tax Assets	As at March 31, 2018	Recognised through P&L	Recognised through OCI	Others	As at September 30, 2018
Assets					
Business loss and Unabsorbed depreciation	33.27	(0.30)	-	-	32.97
Cash Flow Hedges	0.81	-	9.98	-	10.79
Re-measurement of Defined Benefit Plans	3.02	(0.08)	-	-	2.94
MAT Credit carried forward	177.84	4.87	-	-	182.71
Other Timing Differences	2.61	(0.01)	-	-	2.60
Deferred Tax Assets (Net)	**217.55**	**4.48**	**9.98**	-	**232.01**

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NOTE- 42 Earnings per share:

(i) Computation of Earnings per share

Particulars	1 April 2018 to 30 September 2018	7 February 2017 to 31 March 2018
A. Profit After Tax (Rs in Crore)	127.20	163.70
B. Weighted Average no. of shares for Earnings per share	2,65,11,409	14,24,16,374
Basic and Diluted Earnings per share of Rs 10 each [(A) / (B)] (Rs)	47.98	11.49

NOTE- 43 Financial risk management and Capital Management :

The Group undertakes various businesses which are exposed to a variety of financial risks, market 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.

The market risks primarily comprises of interest rate risk and foreign exchange risk which affects loans and borrowings, deposits, foreign exchange forward and options contracts. The exposure to credit risks for other businesses at reporting date is primarily from trade receivables and unbilled revenue. Credit risk has always been managed by the Group by continuously monitoring the credit worthiness of the customers to which the Group grants credit terms in the normal course of business.

The Group's approach to manage liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due.

While managing the capital, the Group ensures to take adequate precaution for providing returns to the shareholders and benefit for other stakeholders, including protecting and strengthening the Balance Sheet.

NOTE- 44 Employee Stock Option Plans

During the period ended 30 September 2018, one of the subsidiaries of the Group granted 25,00,000 (FY17-18: 34,00,000) options at an exercise price of Rs 73.00 (FY17-18: Rs 41.12)

NOTE- 45 One of the subsidiaries of the Group, assessed and provided for Rs 2.16 Crores on account of expiry of products shelf life and future customer returns based on industry trend in FMCG sector and historical product wise sale in accordance with the requirement of Ind AS 37.

NOTE- 46 Derivatives

As on 30th September, 2018, certain subsidiaries have outstanding derivative financial instruments USD 21.39 Crore (31st March 2018: USD 11.12 Crore) , GBP 12.87 Crore (31st March 2018: GBP 10.81 Crore) and EURO 0.37 Crore (31st March 2018: EURO 0.37).

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NOTE - 47 Fair value measurements

a) **The carrying value and fair value of financial instruments by categories as at September 30, 2018 and March 31, 2018 are as follows:**

Rs in crore

	As at September 30, 2018			As at March 31, 2018		
	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL
Financial assets						
Investments						
- Equity instruments	0.01	3.50	-	0.01	3.50	-
- Preference instruments	8.79	-	-	8.79	-	-
- Mutual funds	-	-	149.64	-	-	112.08
- Others	3.41	-	-	3.46	-	-
Trade Receivables	475.46	-	-	400.97	-	-
Loans	1.95	-	-	1.40	-	-
Cash and cash equivalents	87.06	-	-	146.19	-	-
Other Bank balances	66.25	-	-	144.42	-	-
Security Deposit	30.50	-	-	30.73	-	-
Amount receivable on restructuring	35.00	-	-	85.00	-	-
Interest accrued on Bank Deposit	3.57	-	-	2.39	-	-
Derivative Asset	-	-	-	31.72	-	-
Receivable towards claims and services rendered	7.19	-	-	7.22	-	-
Unbilled Receivable	176.89	-	-	152.20	-	-
Lease Receivables	1.51			4.22		
Others financial assets	3.20	-	-	2.74	-	-
Total financial assets	**900.79**	**3.50**	**149.64**	**1,021.46**	**3.50**	**112.08**
Financial liabilities						
Borrowings	797.05	-	-	520.98	-	-
Trade Payables	181.66	-	-	138.63	-	-
Security Deposit	31.83	-	-	31.39	-	-
Rent Payable (User Fee)	55.85	-	-	57.42	-	-
Current Maturities of long term obligation	32.07	-	-	328.03	-	-
Interest accrued	0.36	-	-	0.42	-	-
Others	236.72	-	-	162.08	-	-
Total financial assets	**1,335.54**	**-**	**-**	**1,238.95**	**-**	**-**

b) **Fair value hierarchy**

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

Rs in crore

Financial assets and liabilities measured at fair value	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
As at 30 September 2018					
Financial assets					
Investment in equity instruments	-	-	3.50	3.50	3.50
Investment in liquid mutual fund units	149.64	-	-	149.64	149.64
Total financial assets	**149.64**	**-**	**3.50**	**153.14**	**153.14**
As at 31 March 2018					
Financial assets					
Investment in equity instruments	-	-	3.50	3.50	3.50
Investment in liquid mutual fund units	112.08	-	-	112.08	112.08
Total financial assets	**112.08**	**-**	**3.50**	**115.58**	**115.58**

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**

i. The fair values of the mutual fund instruments are based on net asset value of units declared at the close of the reporting date.

ii. The carrying amounts of cash and cash equivalents are considered to be the same as their fair values, due to their short term nature.

iii. 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 Group ,the carrying amounts will be the reasonable approximation of the fair value.

Batliboi, Purohit & Darbari, 7, Waterloo Street, Kolkata 700069, Chartered Accountants

NOTE 48 : Related Party and their relationship

Related Party for the period ended 30th September 2018 and their Relationship

A (i) **Parent-under de facto control**

Name
Rainbow Investments Limited

(ii) Parent

Name
CESC Limited (till 30th September'2017)

B . **Other Related Parties having transaction during the period**

(i) **Entities under common control**

Name
CESC Limited (w-e-f 1st October, 2017)
Au Bon Pain Café India Limited
New Rising Promoters Private Limited
Kota Electricity Distribution Limited (KEDL)
Dhariwal Infrastructure Limited
Bharatpur Electricity Distribution Limited
Bikaner Electricity Supply Limited
Haldia Energy Limited (HEL)

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

As at 30.09.2018	Relationship
Mr. R. Jha	Director (till 14.11.2018)
Mr. S. Mitra	Director (till 27.11.2018)
Mr. U. Bhattacharya	Director (till 14.11.2018)
Appointed w.e.f. 14.11.2018	
Mr. Sanjiv Goenka	Chairman and Non-executive Director (w.e.f. 14.11.2018)
Mr. Shashwat Goenka	Non-executive Director (w.e.f. 14.11.2018)
Ms. Grace Koshie	Independent Director (w.e.f. 14.11.2018)
Mr. K. Jairaj	Independent Director (w.e.f. 14.11.2018)
Mr. Arjun Kumar	Independent Director (w.e.f. 14.11.2018)
Mr. Suhail Sameer	Whole-time Director (w.e.f. 14.11.2018)
Mr. Sudip Ghosh	Company Secretary (w.e.f. 14.11.2018)
Mr Soumit Banerjee	Chief Financial Officer (w.e.f. 14.11.2018)

(iii) **Other Related Parties**

Name
Kolkata Games and Sports Private Limited

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Transactions during the period ended 30th September 2018 with Related Parties

Rs. In Crore

Sl No	Nature of Transactions	Parent having Control in terms of Ind AS -110, Subsidiaries, Joint Venture & Associate		Entities under common control		Other Related Parties		Total	
		30-Sep-18	31-Mar-18	30-Sep-18	31-Mar-18	30-Sep-18	31-Mar-18	30-Sep-18	31-Mar-18
1	**Equity Shares Issued**								
	CESC Limited through Haldia Energy Limited*	-	(575.05)					-	(575.05)
2	**Short Term Advance :**								
	Haldia Energy Limited (HEL)			2.51	8.77			2.51	8.77
3	**Expense Incurred (net of recovery) / Expenses reimbursed :**								
	Au Bon Pain Café India Limited			-	0.14			-	0.14
	CESC Limited			26.72	20.36			26.72	20.36
	Haldia Energy Limited			0.08	(0.08)			0.08	(0.08)
	Kolkata Games and Sports Private Limited					-	0.02	-	0.02
	Kota Electricity Distribution Limited (KEDL)			-	(0.03)			-	(0.03)
	New Rising Promoters Private Limited			-	0.16			-	0.16
4	**Income from sale/services :**								
	CESC Limited			22.70	22.52			22.70	22.52
	Others			11.85	7.08	-	0.01	11.85	7.09
5	**Expenses incurred :**								
	CESC Limited			14.55	13.89			14.55	13.89
6	**Purchase of Assets**								
	Au Bon Pain Café India Limited			0.10	0.24			0.10	0.24
7	**Security Deposit Received / (Refunded) :**								
	Au Bon Pain Café India Limited			-	0.01			-	0.01
	CESC Limited			-	0.01			-	0.01
	Outstanding Balance :								
1	Debit			-	28.18			-	28.18
2	Credit			16.03	-			16.03	-

There are no transactions with KMP's during the aforesaid period
*these were cancelled pursuant to the scheme of restructuring
Outstanding balances are unsecured and settlement occurs in cash

NOTE - 49 The Group has a process of assessing all long term contracts (including derivative contracts) for material foreseeable losses annually. At the end of the period, the group has reviewed and ensured that adequate provision as required under any law/ Accounting Standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

NOTE - 50 The Board of Directors of the Company at its meeting held on 22nd May, 2017 had approved, subject to necessary approvals, a composite scheme of arrangement (Scheme) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 involving the Company, CESC Limited (CESC) and eight other subsidiary companies of CESC as on that date. The Scheme, inter alia, provided for demerger of identified IT Undertaking of CESC as defined in the Scheme and merger of Spen Liq Private Limited as a going concern into the Company.

The Company on 5th October, 2018 received the certified copy of the order of National Company Law Tribunal (NCLT), being the appropriate authority which included the approval for the above referred activities. Accordingly, the Board of Directors at its meeting held on 12 October, 2018 had decided to give effect to the Scheme in terms of NCLT order, as applicable to the Company from the Appointed Date of 1st October, 2017 in its accounts for the year ended 31 March, 2018. The Net impact as at the appointed date is Rs. 1421 Crores.

Pursuant to the Scheme, each existing shareholder of CESC Limited registered on the record date of 31 October, 2018 in respect of every 10 shares is entitled to 2 fully paid up equity shares of Rs. 10 each in CESC Ventures Limited (formerly RP-SG Business Process Services Limited).

NOTE - 51 Previous period figures have been regrouped/reclassified wherever necessary to correspond with current period classification/disclosure. The figures appearing in the statement of Profit and loss account for the period ended March 31, 2018 of CESC Ventures Limited (formerly RP-SG Business Process Services Limited) represents the figures from 7 February 2017 to 31 March 2018. Further, Spen-Liq Private Limited and IT undertaking of CESC Limited has been amalgamated with the Company w.e.f 1st October 2017 and accordingly previous period figures also includes figures for above undertaking from the date these are amalgamated with the Company. Hence current period figures are not comparable with previous period figures.

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

CA Hemal Mehta
Partner
Membership No. 063404

Place: Kolkata
Date: 11-01-2019

For and on behalf of Board of Directors

Shashwat Goenka
Director
DIN: 03486121

Sanjiv Goenka
Chairman
DIN: 00074796

Suhail Sameer
Whole-time Director
DIN: 07238872

Sudip Ghosh
Company Secretary

Soumit Banerjee
Chief Financial Officer

BATLIBOI PUROHIT & DARBARI
7, Waterloo Street, Kolkata 700069
Chartered Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Financial Statements, which appear elsewhere in this Information Memorandum. You should also read the section titled "Risk Factors" on page 15, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to the financial statements of our Company.

This discussion contains forward-looking statement and reflects our current plans and expectations, actual results may differ materially from those anticipated in these forward-looking statements. By their nature certain market risk disclosures are only estimates and could be materially different from those that have been estimated. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the sections titled "Risk Factors", "Forward Looking Statements" and "Our Business" on pages 15, 8 and 74 respectively.

Overview

Our company was incorporated on February 7, 2017 as a wholly owned subsidiary of CESC Limited ('**CESC'**), a flagship company of the RP-Sanjiv Goenka Group ('**the Group'**), engaged in the business of generation and distribution of electricity across 567 square kilometres of its licensed area in Kolkata and Howrah in West Bengal, India. Our Company was incorporated with the objective of engaging, *inter alia*, in the business of owning, operating, investing and promoting business in the fields of information technology, business process outsourcing and such other ventures (including fast moving consumer goods business) as may be identified by our Board.

Given the diversified business portfolio of CESC and its subsidiaries, holding interests in various sectors including renewable energy (including wind, solar and hydro power stations/projects) business process outsourcing, real estate, entertainment and distribution franchisee businesses, CESC considered it imperative to reorient and reorganize itself to enable a greater focus on each relevant business area. Accordingly, the Scheme was filed with filed with the NCLT. The NCLT approved. approved the Scheme on March 28, 2018 subject to certain terms and conditions. Pursuant to the Scheme, the IT Undertaking has been transferred to our Company and our Company has allotted Equity Shares to shareholders of CESC Limited on the record date specified in the Scheme in the ratio of 10:2. For further details of the Scheme, see "*Scheme of Arrangement*" at page 102.

Pursuant to the Scheme, our core business shall be information technology and information technology related services. Our Company shall, on an arm's length basis, provide all information technology related routine and expert services to the members of the Group. With an initial focus on servicing the needs of CESC and its subsidiaries our Company plans to gradually expand the scope of its operations and provide such services outside the Group as well. The major operations of our Company will be under the categories of product development, operations and maintenance of existing applications, operation and maintenance of infrastructure and assets relating to information technology including all software and hardware elements, undertaking major IT projects from conceptualization to implementation, furnishing reports and records as required, conforming performance parameters and ensuring business process efficiency.

Further, pursuant to the transfer of the IT Undertaking into our Company and the amalgamation of Spen Liq Private Limited into our Company, certain investments have vested in our Company. In addition, our Company proposes to make its own investments, including in venture capital funds.

Further, pursuant to the transfer of the IT Undertaking into our Company and the amalgamation of Spen Liq Private Limited into our Company, certain investments have vested in our Company. Firstsource Solutions Limited ("**FSL**"), a company listed on BSE and NSE and engaged in the business of business process outsourcing, has become a subsidiary in our Company pursuant to the Scheme. FSL is among the leading business process outsourcing companies in India with delivery centres across India, the United States of America, the United Kingdom and Philippines. FSL operates an information technology and BPM business in the areas of customer management, transaction processing and collection service to Fortune 500 and FTSE 100 companies in the US and UK that operate in the telecom and media ("**T&M**") and banking, financial services and insurance industries ("**BFSI**"). FSL's consolidated gross revenues for the six months ended September 30, 2018, and the year ended March 31, 2018, was ₹1,876.02 crore and ₹3,540.68 crore and its profit after income tax on a consolidated basis for the six months ended September 30, 2018, and the year ended March 31, 2018, was ₹181.41 crore and ₹326.58 crore respectively.

The additional companies which pursuant to the Scheme, are direct subsidiaries of our Company are: (a) Quest Properties India Limited ("**Quest**"), which is engaged *inter alia* in the business of property development, operation of mall and other real estate properties and owns and operates the "Quest Mall" in Kolkata (which *inter alia* houses shops, retail outlets, an entertainment zone, a multiplex, food court and fine dining. Quest is also in the business of making various investments including in venture capital funds; (b) Bowlopedia Restaurants India Limited ("**Bowlopedia**"), which operates eleven restaurants in Kolkata, New Delhi and the National Capital Region under the brand names "Waffle Wallah" and "The Chef's Bowl" ; and (c) Guiltfree Industries Limited ("**GIL**"), which is engaged in the business of fast moving consumer goods under the brand name "Too Yumm!". Additionally, GIL has acquired a stake of 70% of the equity share capital of Apricot Foods Private Limited, another company engaged in the manufacturing of food products. For further details of our subsidiaries, see "*History and Certain Corporate Matters-Our Subsidiaries*" at page 86 of this Information Memorandum.

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For Fiscal 2018 and the six months ended September 30, 2018, the total revenue of our Company on a standalone basis was ₹2,733.14 lakhs and ₹8,906.43 lakhs respectively. Further, for Fiscal 2018 and the six months ended September 30, 2018, the total revenue of our Company on consolidated basis was ₹2,005.55 crore and ₹2,169.72 crore respectively.

For Fiscal 2018 and the six months ended September 30, 2018, the profit after tax of our Company was ₹230.36 lakhs and ₹6,011.13 lakhs respectively on a standalone basis. Further, for Fiscal 2018 and the six months ended September 30, 2018, the profit after tax of our Company was ₹163.70 crore and ₹127.20 crore respectively on a consolidated basis.

Significant developments subsequent to the last financial audited financial statements:

1. The National Company Law Tribunal, Kolkata bench, vide its order dated March 28, 2018 approved, subject to the conditions set out therein, the Composite Scheme of Arrangement amongst CESC Infrastructure Limited, erstwhile Spencer's Retail Limited, Music World Retail Limited, Spen Liq Private Limited, New Rising Promoters Private Limited, CESC Limited, Haldia Energy Limited, Spencer's Retail Limited (formerly RP-SG Retail Limited), Crescent Power Limited, and our Company, and their respective shareholders, in accordance with Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.. Pursuant to the Scheme, the IT Undertaking of CESC Limited is transferred to and vested in our Company and Spen Liq Private Limited has amalgamated into our Company. The Effective Date of the Scheme was October 12, 2018 with effect from the Appointed Date i.e. October 1, 2017. Our Company allotted 2,65,11,409 Equity Shares on November 14, 2018 to the equity shareholders of CESC in the ratio of two Equity Shares of the Company for every 10 equity shares of CESC held by an equity shareholder of CESC on October 31, 2018 (with October 31, 2018 being the record date). The existing paid-up Equity Share Capital of the Company consisting of 57,50,50,000 Equity Shares of ₹10 each was accordingly cancelled on November 14, 2018.

2. The name of our Company was changed from "RP-SG Business Process Services Limited" to "CESC Ventures Limited" pursuant to the certificate of incorporation pursuant to change of name issued by the RoC on December 13, 2018.

3. Our Board of Directors was reconstituted and KMP were appointed.

4. Our Company has obtained in-principle listing approvals from BSE, CSE and NSE on December 27, 2018, January 4, 2019 and December 17, 2018.

5. SEBI has through its letter dated January 8, 2019 granting relaxation of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 for the purpose of listing of the Equity Shares of our Company.

Certain factors affecting our results of operations

The following is a discussion of certain factors that have had, and continue to have, a significant effect on our financial results:

Client relationships

Our Company shall primarily cater to the information technology requirements of CESC and its subsidiaries' power generation and distribution business. While it is intended that our Company shall expand our scope of operations to cover other members of the Group and eventually external clients, as on the date of this Information Memorandum, our Company relies only on CESC and its subsidiaries for its revenue generation. As on March 31, 2018 and September 30, 2018, our entire total revenue from operations were obtained from CESC and its subsidiaries respectively. In addition, we are dependent on CESC as a key client who may exert pricing pressure upon us. Accordingly, our Company's business is heavily connected with and reliant on business, operations and functioning of CESC and its subsidiaries. Should there be a reduction in CESC or its subsidiaries' IT budget for any reason, including macroeconomic factors or shift in corporate priorities, our volume of business and consequently our revenue and profitability could be reduced

Further, as a client relationship matures and deepens, we seek to maximise our revenues and profitability by expanding the scope of IT services offered to that client with the objective of winning more business from our clients, particularly in relation to our more substantive and value-added IT service offerings. To do this, we take part in client analysis to identify opportunities with our portfolio of existing clients and use our relevant industry and service line experience to market additional offerings to our clients. We view this approach as important in order to re-evaluate the relevance and criticality of our IT service offerings to our clients 'businesses as they grow and evolve, as well as an opportunity to further strengthen and build long-term relationships with such clients. We believe that our ability to establish and strengthen client relationships and expand the scope of IT services we offer to clients will be an important factor in our future growth and our ability to continue increasing our profitability.

Obsolescence

Our Company is engaged in the business of information technology and information technology related services to its clients. It is our Company's prerogative to ensure that the technology its uses and provides to its customers is up to the trends in the industry and caters adequately to the needs of its customers.

However, the IT services market is characterized by rapid technological changes, evolving industry standards, sector specific requirements, changing client preferences, and new product and service introductions that could result in product obsolescence and short product life cycles. Our future success will depend on our ability to anticipate these advances, enhance our existing offerings or develop new service offerings to meet client needs, in each case, in a timely manner. We may not be successful in anticipating or responding to these advances on a timely basis, or at all or keep pace with the changing needs of our clients. If we do respond, the services or technologies we develop may not be successful in the marketplace. We may also be unsuccessful in stimulating customer demand for new and upgraded services, or seamlessly managing new service introductions or transitions. Our failure to address the demands of the rapidly evolving IT environment, particularly with respect to emerging technologies, and technological obsolescence, could have a material adverse effect on our business, results of operations and financial condition.

In addition, our success also depends on our ability to proactively manage our portfolio of technology alliances. Additionally, during the regular course of operating our business, we may adjust our future plans as a result of our research, experience, technology evolution and market demand. Accepting unforeseen business opportunities may also result in a business model change. We cannot guarantee that any adjustment in our future plans will become successful or be more successful than our current business model. A shift in our plans may result in the use of other technologies. Other technologies may in the future prove to be more efficient and/or economical to us than our current technologies. We cannot guarantee that any change in technology will become successful or be more successful than our current technology which could have a material adverse effect on our business, results of operations and financial condition.

Employees and employee costs

Our success depends in large part on our ability to attract, retain and train our employees, in particular highly skilled engineering professionals. Post the Scheme, as on the date of this Information Memorandum, 71 IT and IT related professionals earlier engaged at various levels of the hierarchy in CESC and its subsidiaries will form part of the resource base for our Company. Additionally, certain other personnel engaged in operational IT related activities with dedicated domain specific knowledge will also be part of our Company's resource pool.

Employee benefits is a principal component of our total expenses and for the period ended March 31, 2018 and the six months ended September 30, 2018 constituted 27.50%, and 25.05%, respectively of our total expenses on a standalone basis. Our employee benefits consists of salaries, wages and bonus, contribution to provident fund and other funds, employee stock compensation expense, compensated absences, gratuity and staff welfare. In addition, as we continue to invest in the recruitment and retention of sales staff in line with our growth strategies, we are likely to incur costs in relation to our market penetration, sales and marketing initiatives, and for the recruitment of sales employees located in India and overseas.

Any inability to manage our growth could disrupt our business and reduce our profitability.

Our Company’s growth strategies will place significant demands on our management team and other resources. This will require us to develop and improve our administrative, operational, financial, systems and other internal controls. The costs involved in entering and establishing ourselves in new and emerging markets, and expanding such operations, may be higher than expected and the profitability less than expected. Should our Company seek to provide IT services outside the power distribution and generation sector, we would have to make significant investments in *inter alia* infrastructure and personnel.

If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.

We manage regulatory compliance by monitoring and evaluating our internal controls and ensuring that we are in compliance with all relevant statutory and regulatory requirements. However, there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. As we continue to grow, there can be no assurance that there will be no instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation

Significant Accounting Policies

The significant accounting policies in relation to the consolidated Financial Statements are as mentioned below:

(a) Basis of preparation

(i) These special purpose interim consolidated financial statements of CESC Ventures Limited (formerly RP-SG Business Process Services Limited) for the period ended 30th September 2018 have been prepared in accordance with Ind AS 34 "Interim Financial Reporting" specified under Section 133 of Companies Act 2013 ("the Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2013 ("the Rules") as amended for the purpose of inclusion in the Information Memorandum to be filed with Stock Exchanges.

(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 and joint venture 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 associates and joint ventures 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, joint venture 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 recognition

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."

Revenue from debt collection services is recognized when debts are collected. Income from contingency based contracts, in which the client is invoiced for a percentage of the reimbursement, is recognized on completion of services. Unbilled receivables represent costs incurred and revenues recognized on contracts to be billed in subsequent periods as per the terms of the contract.

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.

Revenue from sale of goods and services

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances.

Goods and Services Tax (GST) are collected on behalf of the government and accordingly, it is excluded from revenue.

Properties Business:

Rental income arising from operating leases on let-out properties is accounted for on a straight line basis over the non-cancellable lease term and is included in revenue in the statement of profit and loss due to its operating nature.

In case of property development, when the outcome of the construction contract can be estimated reliably, contract revenue and cost associated with the said construction contract shall be recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period.

Other operating revenues are recognised based on contractual terms.

(f) 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 recognized 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).

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."

(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
Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.
Lease payments received under operating leases are recognised as an income on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation. The respective leased assets are included in the balance sheet based on their

nature.

(i) Business combinations

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.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

Goodwill on such business combinations is tested annually or more frequently if circumstances such warrant for impairment of each business acquired. The recoverable amount of business acquired are determined from Value-in-Use calculations. The key assumptions for the Value-in-Use calculations are those regarding the discount rates, growth rates & expected changes of selling prices & direct cost during the year.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Business combinations between entities under common control is accounted for at carrying value.

Transaction costs that the Company incurs in connection with a business combination such as legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

(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, stores and fuel held for use in production or resale are stated at the lower of cost and net realizable 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 extend 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, and
3. financial assets measured at fair value through other comprehensive income.

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 or Loss.

Financial instruments 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 assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

Investment in other equity instruments are measured at Fair Value through Other Comprehensive Income (FVTOCI). All fair value changes on such investments excluding dividends are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

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 instrument
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.

Cost of commitment for Borrowings of associates are recognised as a financial liability at the time such commitment is issued. The liability is initially measured at fair value and subsequently at the amount initially recognised less cumulative amortisation.

(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.

Rate of Depreciation/ Useful Life of Tangible Assets	
PARTICULARS	Useful Life of Assets
Buildings and Structures	60 Years
	in case of Lease 5 Years or lease term which is earlier
Plant and Equipment	2-25 Years
Furniture and Fixtures	1-10 Years
Office Equipment	2 - 5 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 as 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.

Rate of Depreciation/Useful Life of Intangible Assets	
PARTICULARS	Useful Life of Assets
Brand	Infinite
Software	2 - 6 Years
Non - compete fees	5 Years
Distribution Right & Customer Contract	3 - 10 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 to be issued during the financial year, adjusted for bonus elements in equity shares issued during the period and excluding treasury share.

(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.

For each earnings per share amount presented in accordance with Ind AS 33, the Group presents additional basic and diluted earnings per share amounts that are calculated in the same way, except that those amounts excludes the net movement in the regulatory deferral account balances.

(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.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

(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.

(x) Cash Flow Statement

Cash flow statement are prepared using the indirect method where profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from Operating, Investing and Financing activities of the Group is segregated.

(y) Applicability of IndAS 115:

The Group adopted INDAS 115 Revenue from contract with customers (INDAS 115) on 1st April 2018 using the full retrospective method. The application of INDAS 115 has no impact on recognition and measurement of revenue post implementation and accordingly, no adjustment is required to be done in retained earnings as at 1

April 2018 and its comparatives under the previous standards.

Summary of Changes to Significant Accounting Policies

There has been no change in classification of any accounting measures including operating expenses, income, operating income, depreciation, etc.

Related Party Transactions

For details see "*Financial Statements*" at page 193.

Balance Sheet

The following table sets forth the principal components of our assets and liabilities of our Company on a consolidated basis on the dates mentioned below:

(*in ₹ crore*)

Particulars		**As at September 30, 2018**	**As at March 31, 2018**
ASSETS			
Non-current Assets			
Property, Plant and Equipment		511.32	515.41
Capital work-in-progress		20.53	3.44
Investment Property		56.25	56.71
Goodwill		2,291.17	2,080.94
Other Intangible Assets		313.39	322.66
Intangible Assets under development		8.45	1.73
Financial Assets			
Investments		15.71	15.76
Loans		0.86	0.55
Others		33.04	89.01
Non-Current Tax Assets		87.69	83.73
Deferred Tax Assets (Net)		232.01	217.55
Other Non current Assets		296.19	223.63
	(A)	**3,866.61**	**3,611.12**
Current Assets			
Inventories		45.64	41.67
Financial Assets			
Investments		149.64	112.08
Trade receivables		475.46	400.97
Cash and cash equivalents		87.06	146.19
Bank balances other than cash and cash equivalents		66.23	90.30
Loans		1.09	0.85
Others		224.84	281.33
Other current Assets		100.92	92.86
	(B)	**1,150.88**	**1,166.25**
TOTAL ASSETS	**(A+B)**	**5,017.49**	**4,777.37**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital		-	-
Equity Share Suspense		26.51	26.51
Other Equity		2,222.15	2,146.55
Total equity attributable to equity holders of the Company		**2,248.66**	**2,173.06**
Non-controlling interests		1,219.86	1,143.68
Total equity	**(C)**	**3,468.52**	**3,316.74**

Particulars		As at September 30, 2018	As at March 31, 2018
Liabilities			
Non-current Liabilities :			
Financial Liabilities			
Borrowings		134.12	149.46
Others		138.26	107.10
Provisions		12.13	10.52
Deferred tax liabilities (Net)		89.75	101.73
Other non current liabilities		0.45	0.14
	(D)	**374.71**	**368.95**
Current Liabilities			
Financial Liabilities			
Borrowings		662.93	371.52
Trade Payables			
(a) Total outstanding dues to micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		181.66	138.63
Others		218.57	472.24
Other current liabilities		58.21	58.13
Provisions		35.67	34.14
Current Tax Liabilities (net)		17.22	17.02
	(E)	**1,174.26**	**1,091.68**
TOTAL EQUITY & LIABILITIES	**(C+D+E)**	**5,017.49**	**4,777.37**

Note: The IT Undertaking of CESC Limited was transferred and vested with our Company with the Appointed Date of October 1, 2017. Consequently, above results include results of the IT Undertaking of CESC Limited from October 1, 2017 onwards.

Statement of Profit and Loss Account

The following table sets forth our statement of profit and loss for the periods mentioned below on a consolidated basis:

(*in ₹crore*)

Particulars	April 1, 2018 to September 30, 2018	February 7, 2017 to March 31, 2018
Revenue from operations	2,159.95	1,993.49
Other income	9.77	12.06
Total Revenue	**2,169.72**	**2,005.55**
Expenses		
Cost of materials consumed for FMCG Business	127.13	95.36
Purchases of stock-in -trade for FMCG Business	7.94	1.26
Changes in inventories of finished goods, stock-in-trade and work- in -progress for FMCG Business	(2.43)	(6.13)
Employee benefit expenses	1,308.07	1,239.31
Finance costs	20.65	27.92
Depreciation and amortisation expense	46.57	44.17
Other expenses	518.59	446.77

Particulars	April 1, 2018 to September 30, 2018	February 7, 2017 to March 31, 2018
Total expenses	**2,026.52**	**1,848.66**
Profit before share in profit of associate and tax	**143.20**	**156.89**
Share in net profit of associate	-	-
Profit before tax	**143.20**	**156.89**
Tax expense		
Current tax (net)	30.94	31.02
Deferred tax - (Income) / expense (including MAT Credit)	(14.94)	(37.83)
Total Tax expenses	**16.00**	**(6.81)**
Profit after Tax (PAT)	**127.20**	**163.70**
Other comprehensive income (OCI)		
Items not to be reclassified to profit or loss		
Remeasurement of defined benefit plan	0.09	1.16
Income Tax on above	(0.08)	(0.03)
Gain on Fair Valuation of Investment	(0.33)	0.33
	(0.32)	1.46
Items to be reclassified to profit or loss		
Net changes in fair value of cash flow hedges	(54.86)	(50.28)
Exchange difference on translation of foreign operations	123.41	20.12
Deferred Tax on above	9.97	15.83
	78.52	(14.33)
Total Other Comprehensive Income	**78.20**	**(12.87)**
Total comprehensive income for the period	**205.40**	**150.83**
Profit attributable to		
Owners of the equity	44.32	75.56
Non-controlling interest	82.88	88.14
	127.20	**163.70**
Other Comprehensive Income attributable to		
Owners of the equity	42.16	(6.80)
Non-controlling interest	36.04	(6.07)
	78.20	**(12.87)**
Total Comprehensive Income attributable to		
Owners of the equity	86.48	68.76
Non-controlling interest	118.92	82.07
	205.40	**150.83**
Earnings per equity share		
Basic & Diluted (Face value of Rs 10 per share)	47.98	11.49

Note: The IT Undertaking of CESC Limited was transferred and vested with our Company with the Appointed Date of October 1, 2017. Consequently, above results include results of the IT Undertaking of CESC Limited from October 1, 2017 onwards.

Cash Flows

The following table sets forth our cash flows from operating, investing and financing activities for the periods mentioned below on a consolidated basis:

(*in ₹crore*)

	Particulars	April 1, 2018 to September 30, 2018	February 7, 2017 to March 31, 2018
A.	**Cash flow from Operating Activities**		
	Profit before Taxation	143.20	156.89
	Adjustments for :		
	Depreciation and amortisation expenses	46.57	44.17
	Loss / (Profit) on sale / disposal of assets (net)	0.12	(0.47)
	Gain on sale/fair value of current investments (net)	(5.54)	(3.49)
	Employee stock compensation expense	2.22	2.03
	Allowances for doubtful debts/slow moving/Advances/ Security deposit	0.76	0.16
	Bad debts, advances, other receivables written off	-	3.73
	Finance Cost	20.65	27.92
	Interest Income	(3.95)	(7.64)
	Loss/Gain on foreign currency transaction (net) Exchange	(135.52)	(10.36)
	Other non-operating income	-	(6.74)
	Operating Profit before Working Capital changes	**68.51**	**206.20**
	Adjustments for change in:		
	Trade and other receivables	(41.59)	(243.80)
	Inventories	(3.97)	(41.68)
	Trade and other payables	157.92	72.12
	Cash Generated from Operations	**180.87**	**(7.16)**
	Income Tax paid (net of refund)	30.22	30.68
	Net cash flow from Operating Activities	**150.65**	**(37.84)**
B.	**Cash flow from Investing Activities**		
	Purchase of Property, Plant and Equipment / Capital Work-in-Progress	(98.64)	(39.64)
	Proceeds from Sale of Property, Plant and Equipment	0.05	-
	Purchase of long term investments	-	(3.50)
	Sale/(purchase) of Current/Non-current Investments (net)	(32.35)	(2.86)
	Interest received	4.27	6.61
	Option Contract Received	-	2.81
	Payment to shareholder of Subsidiary companies	(4.86)	(1.80)
	Movement in Bank balances other than cash and cash equivalents	24.07	(144.42)
	Net cash used in Investing Activities	**(107.46)**	**(182.80)**
C.	**Cash flow from Financing Activities**		
	Issue of Share Capital	-	575.05
	Share application money received	12.85	7.97
	Proceeds from Long Term Borrowings	1.11	2.96
	Repayment of Long Term Borrowings	(312.75)	(238.19)

	Particulars	April 1, 2018 to September 30, 2018	February 7, 2017 to March 31, 2018
	Net increase/(decrease) in Cash Credit facilities and other Short Term Borrowings	283.65	41.69
	Finance Costs paid	(20.45)	(28.42)
	Dividends paid	(68.53)	
	Net Cash flow from Financing Activities	**(104.12)**	**361.06**
	Net Increase / (Decrease) in cash and cash equivalents	**(60.93)**	**140.42**
	Cash and Cash equivalents - Opening Balance	146.19	-
	Cash and Cash equivalents - Acquired Pursuant to Scheme of restructuring	**-**	7.46
	Foreign exchange (gain)/loss on translating Cash and cash Equivalents	1.80	(1.69)
	Cash and Cash equivalents - Closing Balance	**87.06**	**146.19**

Changes in liabilities arising from financing activities	INR crore	INR crore	INR crore	INR crore
Particulars	**March 31, 2018**	**Cash flows**	**Other**	**September 30, 2018**
Current borrowings	371.52	283.65	7.76	662.93
Non-Current borrowings (including Current Maturities)	478.38	(311.64)	2.21	168.95

Note: The IT Undertaking of CESC Limited was transferred and vested with our Company with the Appointed Date of October 1, 2017. Consequently, above cash flows include the cash flows of the IT Undertaking of CESC Limited from October 1, 2017 onwards.

SECTION VII - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND OTHER MATERIAL DEVELOPMENTS

In terms of the ICDR Regulations, our Company is required to disclose in the Draft Information Memorandum and this Information Memorandum, (i) all criminal proceedings; (ii) all actions by statutory or regulatory authorities; (iii) all claims related to direct and indirect taxes; and (iv) all material litigation, in each case involving our Company, our Directors, our Subsidiaries and our Promoters.

Additionally, we are required to disclose: (a) all disciplinary action including penalty imposed by SEBI or the Stock Exchanges, against the Promoters in the last 5 financial years, including outstanding actions; and (b) any litigation involving our Group Companies, which may have a material impact on the Company.

In terms of the Materiality Policy, any outstanding litigation:

(a) involving our Company, our Directors, our Subsidiaries or our Promoters in which the aggregate monetary amount involved is in excess of 6.5 per cent. of the consolidated profit after tax, as per the Financial Statements of our Company as at March 31, 2018 would be considered as material. The consolidated profit after tax of our Company for Fiscal 2018 was ₹163.70 crore and accordingly, all litigation involving our Company, our Directors, our Subsidiaries and our Promoters in which the amount involved exceeds ₹ 10.64 crore have been considered as material;

(b) involving our Company, our Directors, Subsidiaries or Promoters, the outcome of which could have a material impact on the business, operations, prospects or reputation of our Company, irrespective of the amount involved in such litigation, has been considered as material.

*Pre-litigation notices received by the Company, our Subsidiaries, our Promoters, a Director or our Group Companies (the "**Relevant Parties**") from third parties (excluding those notices issued by statutory/regulatory/tax authorities) shall, unless otherwise decided by the Board of Directors, not be considered material until such time that the Relevant Party is impleaded as defendant in litigation proceedings before any judicial forum.*

Further, in terms of the Materiality Policy, a creditor of our Company, shall be considered to be material for the purpose of the Draft Information Memorandum and this Information Memorandum, if amounts due to such creditor exceeds 5 per cent. of our Company's consolidated trade payables as per the Financial Statements of our Company for the most recent period i.e. as on September 30, 2018.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

Litigation proceedings involving our Company

As on the date of this Information Memorandum, there are no litigation proceedings involving our Company.

Litigation proceedings involving our Promoters

Criminal proceedings against our Promoters

As on the date of this Information Memorandum, there are no outstanding criminal proceedings against our Promoters.

Actions taken by statutory/regulatory authorities against our Promoters

As on the date of this Information Memorandum, there are no pending actions taken by any statutory or regulatory authority against our Promoters.

Material civil litigation proceedings against our Promoters

Except as mentioned below, as on the date of this Information Memorandum, there are no outstanding material civil litigations initiated against our Promoters:

Kamrup Ice and Cold Storage Company (the "**Plaintiff**") has filed a money suit before the Civil Judge No. 3, Kamrup, Guwahati against Spencer's Retail Limited (formerly RP-SG Retail Limited), Sanjiv Goenka, Shashwat Goenka, Rajendra Jha, Bhanwar Lal Chandak, Subhasis Mitra, Md. Khalil Ahmad Siddiqi, Gargi Chatterjea and Satya Kumar Srivastava for damages of ₹ 28.52 crores on account of termination of lease deed by our Company. The Company has obtained interim stay on the main suit. The Plaintiff had to file a return objection. The matter is pending and the next scheduled date of hearing is on January 30, 2019.

Tax proceedings against our Promoters

There are no pending tax related proceedings against our Promoters.

Disciplinary actions against our Promoters

No disciplinary action has been taken (including any penalty imposed) by SEBI or any of the stock exchanges, against our Promoters in the preceding five financial years.

<u>Litigation proceedings involving our Directors</u>

Except as mentioned below there are no litigation proceedings involving our Directors.

A. Sanjiv Goenka

For litigation proceedings involving Sanjiv Goenka, please refer to "*-Litigations proceedings involving our Promoters*" at page 213.

B. Shashwat Goenka

Material civil litigation proceedings

Kamrup Ice and Cold Storage Company (the "**Plaintiff**") has filed a money suit before the Civil Judge No. 3, Kamrup, Guwahati against Spencer's Retail Limited (formerly RP-SG Retail Limited), Sanjiv Goenka, Shashwat Goenka, Rajendra Jha, Bhanwar Lal Chandak, Subhasis Mitra, Md. Khalil Ahmad Siddiqi, Gargi Chatterjea and Satya Kumar Srivastava for damages of ₹ 28.52 crores on account of termination of lease deed by our Company. The Company has obtained an interim stay on the main suit. The Plaintiff is yet to file a return objection. The matter is pending and the next scheduled date of hearing is on January 30, 2019.

<u>Litigation involving our Subsidiaries</u>

Litigation involving Firstsource Solutions Limited ("FSL")

Criminal proceedings against FSL

1. The Union Territory of Puducherry (the "**State**") filed a complaint against Ezhilmaran Ramaswamy, an employee of FSL before the Judicial Magistrate of Pondicherry (the "**Complaint**"). The Complaint was filed by the State alleging violation of Section 135(B) of Representation of the People Act, 1951 as an office of First Source in Puducherry was kept open on election day in Puducherry. The matter is currently pending.

Criminal proceedings filed by FSL

1. FSL, through the State of Maharashtra, filed a complaint with the Bangur Nagar Police Station (the "**Police Station**"), alleging theft of its customer data by unidentified persons and reporting the receipt of a ransom demand for ₹ 5 crore for such data. The Police Station registered a first information report and after enquiry the Police Station arrested Sheavan Sebastian D'Costa (the "**Accused**") and charged the accused under Sections 380 and 384 of the IPC read with Sections 43(A), (B), (C) and Section 66 of the Information Technology Act, 2000. Proceedings in relation to the complaint are ongoing before the Judicial Magistrate, 68th Court, Borivali. The matter is currently pending.

2. FSL, through the State of Karnataka filed a complaint (the "**Complaint**") under Section 406 and Section 420 of the Indian Penal Code before the 4th Additional Metropolitan Magistrate Court, Bangalore against Deepak Suresh

("**Accused**"). The Complaint was filed against the Accused for misusing a customer credit card for an amount of £348.27 (at the time approximately ₹23,692). The matter is currently pending.

Material Civil litigations against FSL

1. CRISIL Limited ("**CRISIL**") filed an arbitration application before the Supreme Court of India against FSL("**Application**") praying for the appointment of an Arbitral Tribunal comprising of three arbitrators in accordance with the Share Purchase Agreement dated September 22, 2010 ("**SPA**") executed between FSL and CRISIL. CRISIL alleged misrepresentation of material facts by FSL, breach of warranties under the SPA by FSL and cited the income tax notices received by FSL on account of miscalculation of arm's length prices of international transactions. CRISIL had initially issued a notice invoking arbitration claiming ₹53.69 crore against FSL (up to August 31, 2014) and future claims on the basis of loss on account of dividend, erosion in value of shares purchased and legal and professional fees. The matter is currently pending.

Litigation involving Apricot Foods Private Limited ("Apricot")

Tax proceedings against Apricot

(in ₹crores)

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings*
Direct tax		
Income Tax	1	0.69
Total	1	0.69

** To the extent quantifiable*

Litigation involving our Group Companies

There are no pending litigation proceedings involving our Group Companies which may have a material impact on our Company.

Outstanding dues to small scale undertakings or any other creditors

As of September 30, 2018, the total trade payables of our Company, on a consolidated basis, were ₹181.66 crores. In terms of the Materiality Policy, our Board considers such creditors 'material' to whom the amount due exceeds 5% of the consolidated trade payables of our Company as of the most recent period covered in the Financial Statements i.e. September 30, 2018. Accordingly, a creditor to whom the amount due exceeds ₹9.08 crores or ₹908 lakhs shall be considered material.

The details of outstanding dues to creditors of our Company on a standalone basis, as on September 30, 2018 are as follows:

Particulars	No. of creditors	Amount due (in ₹ lakhs)
Micro, small or medium enterprises	Nil	Nil
'Material' creditors	Nil	Nil
Other creditors	39	32.61

On the date of this Information Memorandum, there are no material creditors of our Company.

For complete details about outstanding dues to creditors of our Company, see "*Financial Statements*" beginning on page 127.

GOVERNMENT APPROVALS

Pursuant to the Scheme of Arrangement, all the permits, licenses, registrations, authorities, allotments, approvals, contracts, engagements, arrangements, title, interest, benefits, rights and benefits under insurance policies, intellectual property including trademarks, patents, copyrights, privileges, goodwill, import quotas, import licenses, industrial designs, labels, label designs and all other rights including lease rights, tenancy rights, authorizations, licenses, quota rights, all special economic zone benefits, excise duty exemptions, income-tax benefits and exemptions, approvals and recognitions for scientific research issued by the prescribed authority, powers and facilities of every kind, nature and description whatsoever of the IT Undertaking of CESC shall stand transferred to and vested in or shall be deemed to be transferred to and vested in our Company as if the same were originally given or issued to or executed in favour of our Company, and the rights and benefits under the same shall be available to our Company.

Material approvals of our Company

Material licenses and approvals obtained by our Company:

a) **Incorporation details**

Certificate of incorporation dated February 7, 2017 issued to our Company by the RoC.

b) **Approvals from taxation authorities**

(i) The permanent account number of our Company is AAICR1474J

(ii) The tax deduction account number of our Company is CALR14004E

(iii) A state-wise break down of the goods and services tax registration number of our Company is as follows:

State	GSTIN
West Bengal	19AAICR1474J1ZZ

(iv) A certificate of enlistment dated October 29, 2018 issued by the Kolkata Municipal Corporation with respect to our Registered Office.

c) **Other Approvals**

As our Company expands its operations, our Company shall be required to obtain additional approvals and licenses basis the requirements under applicable law.

d) **Applications made by our Company**

Our Company has on November 6, 2018 applied for a registration under the West Bengal Shops & Establishment Act, 1963 read with the West Bengal Shops & Establishments Rules, 1964 with respect to our Registered Office.

Material approvals of FSL

Mentioned below are the material approvals applicable to the business operations of FSL:

(a) Registration under the relevant shops and establishments legislations with respect to all FSL's centres.
(b) Other service provider registration for all FSL's centres.
(c) Telemarketing license from Telecom Regulatory Authority of India.
(d) Trade license for FSL's centres from the relevant municipal authorities, statewise.
(e) Permission to work 24/7, statewise.

As on the date of this Information Memorandum, all material approvals required by FSL have been obtained and there are no material approvals yet to be obtained or pending renewal.

REGULATORY AND STATUTORY DISCLOSURES

Authority for listing

Our Board of Directors had approved the Scheme at their meeting held on May 22, 2017. The National Company Law Tribunal, Kolkata bench, vide its order dated March 28, 2018 approved the Composite Scheme of Arrangement amongst CESC Infrastructure Limited, erstwhile Spencer's Retail Limited, Music World Retail Limited, Spen Liq Private Limited, New Rising Promoters Private Limited, CESC, Haldia Energy Limited, Spencer's Retail Limited (formerly RP-SG Retail Limited), Crescent Power Limited, and our Company, and their respective shareholders. Pursuant to the Scheme, the IT Undertaking of CESC is transferred to and vested in our Company and Spen Liq Private Limited is amalgamated into our Company with the Appointed Date of October 1, 2017, in accordance with Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Effective Date of the Scheme was October 12, 2018.

In accordance with the Scheme, the Equity Shares of our Company, issued pursuant to the Scheme, shall be listed and admitted to trading on BSE, CSE and NSE. Such admission and listing is not automatic and will be subject to fulfilment by our Company of the respective listing criteria of the Stock Exchanges and also subject to such other terms and conditions as may be prescribed by the respective Stock Exchanges at the time of the application made by our Company seeking approval for listing.

Eligibility criterion

There being no initial public offering or rights issue, the eligibility criteria prescribed under the SEBI ICDR Regulations are not applicable. However, SEBI, *vide* its letter no. CFD/DIL-I/YJ/KB/735/2019 dated January 8, 2019, granted relaxation of clause (b) to sub-rule (2) of Rule 19 of SCRR thereof by making an application to SEBI under sub-rule (7) of Rule 19 of the SCRR as per the SEBI Circular. Our Company submitted the Draft Information Memorandum and this Information Memorandum, containing information about our Company, making disclosures in line with the disclosure requirement for public issues, as applicable to BSE, CSE and NSE and the Information Memorandum shall be made available to public through the respective websites of the Stock Exchanges i.e., www.bseindia.com, www.cse-india.com and www.nseindia.com. Our Company shall make the Information Memorandum available on its website at www.cescventures.com. Our Company shall publish an advertisement in the newspapers containing its details as per the SEBI Circular with the details required in terms of Para III(A)(5) of Annexure I of the SEBI Circular. The advertisement shall draw specific reference to the availability of the Information Memorandum on our Company's website.

Prohibition by Securities and Exchange Board of India

Our Company, Directors, Promoters, Promoter Group and the natural persons in control are not currently prohibited or debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Further, none of our Directors or Promoters is a director or promoter of any other company which is currently debarred from accessing the capital markets by SEBI.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent applicable.

Fugitive Economic Offences

Neither Sanjiv Goenka nor any of our other Directors has been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

Association with the Securities Market

Grace Koshie who is also a director of The Federal Bank Limited, which is registered with SEBI as a banker to an issue and acts as a self-certified syndicate bank under the ASBA facility. None of our other Directors are associated with the securities market in any manner. No action has been initiated by SEBI against any of our

Directors during the five years preceding the date of this Information Memorandum.

Identification as wilful defaulter by Reserve Bank of India

Our Company, Promoters and Directors have not been identified as wilful defaulters by any bank and/or financial institution in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Disclaimer Clause of the BSE

BSE *vide* its letter (bearing reference no. DCS/AMAL/AC/R37/915/2017-18) dated September 15, 2017, approved the Scheme of Arrangement under Regulation 37 of the SEBI Listing Regulations and by virtue of the said approval, BSE's name has been included in this Information Memorandum as one of the stock exchanges on which our Company's Equity Shares are proposed to be listed.

As required, a copy of the Draft Information Memorandum and this Information Memorandum has been submitted to BSE.

Disclaimer Clause of the CSE

CSE *vide* its letter (bearing reference no. CSE/LD/13669/2017) dated September 20, 2017, approved the Scheme of Arrangement under Regulation 37 of the SEBI Listing Regulations and by virtue of the said approval, CSE's name has been included in the Draft Information Memorandum and this Information Memorandum as one of the stock exchanges on which our Company's Equity Shares are proposed to be listed.

As required, a copy of the Draft Information Memorandum and this Information Memorandum has been submitted to CSE.

Disclaimer Clause of the NSE

NSE has *vide* its letter (bearing reference no. NSE/LIST/12640) dated September 15, 2017, approved the Scheme of Arrangement under Regulation 37 of the SEBI Listing Regulations and by virtue of the said approval, NSE's name is included in the Draft Information Memorandum and this Information Memorandum as one of the stock exchanges on which this Company's Equity securities are proposed to be listed.

As required, a copy of the Draft Information Memorandum and this Information Memorandum has been submitted to NSE.

General Disclaimer from our Company

Our Company accepts no responsibility for statements made otherwise than in this Information Memorandum or in the advertisements to be published in terms of Para III(A)(5) of Annexure I of the SEBI Circular or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Listing

Applications have been made to BSE, CSE and NSE for an official quotation of the Equity Shares of our Company. Our Company has nominated NSE as the Designated Stock Exchange for the aforesaid listing of the Equity Shares. Our Company has taken steps for completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above within a period as approved by SEBI.

Listing Approval from BSE, CSE and NSE

Our Company has obtained in-principle listing approvals from BSE, CSE and NSE on December 27, 2018, January 4, 2019 and December 17, 2018. Our Company shall make the applications for final listing and trading approvals from BSE, CSE and NSE.

Securities and Exchange Board of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957

Our Company has been granted an exemption from the application of Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957 by SEBI *vide* its letter no. CFD/DIL-I/YJ/KB/735/2019 dated January 8, 2019.

Demat Credit

Our Company has executed a Tripartite Agreement with the Depositories i.e. NSDL and CDSL dated September 18, 2017 and October 30, 2018 for admitting our Equity Shares in demat form. Our Company has been allotted the ISIN Number of INE425Y01011.

Expert Opinions

Save as stated elsewhere in this Information Memorandum, we have not obtained any expert opinions.

Dispatch of Share Certificates

In accordance with the Scheme, new Equity Shares have been issued and allotted to the Eligible Shareholders as on the Record Date i.e. October 31, 2018. Our Company has dispatched the physical share certificates to Eligible Shareholders holding shares of CESC Limited in physical form on November 19, 2018 and credited the new Equity Shares to depository participant accounts of the Eligible Shareholders on November 22, 2018.

Previous rights and public issues

Since incorporation, our Company has not issued any Equity Shares to the public. Further our Company has not made any rights issues except as mentioned in "*Capital Structure-Notes to Capital Structure*" at page 28.

Capital issuances in the last three years

CESC, our listed Group Company, has not made any capital issue during the last three years.

Except as mentioned below, FSL (our listed Subsidiary) has not made any capital issue in the three preceding Fiscals:

In Fiscal 2016, Fiscal 2017 and Fiscal 2018, FSL issued 2,02,31,360 of its equity shares to its employees pursuant to its employee stock option scheme. The exercise price for such issuances ranges from ₹10 to ₹40.90.

For details of the issuances of Equity Shares by our Company, see "*Capital Structure-Notes to Capital Structure*" at page 28.

Performance *vis-à-vis* objects

This is the first time the Equity Shares of our Company are getting listed on the stock exchanges.

FSL, our listed Subsidiary has not made any public or rights issue in the last five years.

Issuances for consideration other than cash

Other than the allotment of Equity Shares to the Eligible Shareholders of CESC Limited on November 14, 2018, our Company has not allotted any Equity Shares for consideration other than cash.

Commission and Brokerage on Previous Issues

No sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares by our Company.

Outstanding Debentures or Bonds and Redeemable Preference Shares and other Instruments issued by our Company

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by our Company

Stock Market Data for Equity Shares of our Company

The Equity Shares of our Company are not listed on any stock exchange. Through this Information Memorandum, our Company is seeking approval for listing of its Equity Shares from the Stock Exchanges.

Disposal of Investor Grievances by our Company

Our Company has the following platforms for addressing investors' grievances:

- E-mail id: cescventures@rp-sg.in
- SCORES

Shareholders can express their grievances by sending mails to above e-mail id or raise complaints in SCORES (Common Portal introduced by SEBI). Further, the Shareholders can also raise their grievances with our Company Secretary. As on the date of this Information Memorandum, our Company has not received any investor complaints since incorporation.

Company Secretary and Compliance Officer

Sudip Ghosh
Address:
CESC House
Chowringhee Square
Kolkata 700 001
West Bengal, India
Tel: +91 33 2225 6040
E-mail: cescventures@rp-sg.in

Disposal of Investor Grievances by FSL

In the three years preceding the date of this Information Memorandum, FSL has received 48 investor complaints, all of which have been disposed off during such period. There are no investor complaints pending against FSL on the date of this Information Memorandum. FSL normally takes between five to seven working days for the disposal of the various types of investor grievances.

Capitalisation of reserves or profits or revaluation of assets

There has been no capitalization of our reserves or profits or revaluation of our assets since incorporation.

SECTION VIII - OTHER INFORMATION

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed at the annual general meeting of the Company held on October 29, 2018 in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

Applicability of Table F

Subject as hereinafter provided and in so far as these presents do not modify or exclude them the regulations contained in Table 'F' of Schedule I of the Companies Act, 2013 shall apply to the Company only so far as they are not inconsistent with any of the provisions contained in these Articles or modification thereof or are not expressly or by implication excluded from these Articles.

I. Definitions and Interpretations

1. In these Articles:

   (a) the "**Act**" means the Companies Act, 2013 and the rules and regulations prescribed thereunder, as now enacted or as amended from time to time and shall include any statutory replacement or re-enactment thereof;

   (b) the "**Articles**" or "**Articles of Association**" means the articles of association of the Company as amended from time to time;

   (c) the "**Board**" or "**Board of Directors**" or "**Directors**" means the board of directors of the Company collectively, as constituted from time to time; "Director" shall mean a director on the Board of the Company individually;

   (d) the "**Company**" means RP-SG Business Process Services Limited, a public company limited by shares incorporated under the Companies Act, 2013;

   (e) the "**Depository**" means a depository registered with the Securities and Exchange Board of India under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 or any other regulations formulated by the Securities and Exchange Board of India, as applicable;

   (f) the "**Depositories Act**" means the Depositories Act, 1996 or any statutory modification or re-enactment thereof, for the time being in force; and

   (g) the "**Seal**" means the common seal of the Company.

2. Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these Articles become binding on the Company. In these Articles, all capitalized items not defined herein below shall have the meanings assigned to them in the other parts of these Articles when defined for use.

3. Notwithstanding anything contained in these Articles, any reference to a "Person" in these Articles shall, unless the context otherwise requires, be construed to include a reference to a body corporate or an association, any individual, company, partnership, joint venture, firm, trust or body of individuals (whether incorporated or not).

II. Public Company

4. The Company is a public company as defined in Section 2(71) of the Act.

III. Share capital and variation of rights

5. The authorized share capital of the Company shall be such amount as set out in Clause V of the Memorandum of Association. The Company may increase, re-classify, sub-divided, consolidate the authorized share capital subject to complying with requisite procedure laid down by law.

6. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount as they may, and at such time as they may from time to time think fit.

7. The Company may issue the following kinds of shares in accordance with these Articles, the Act and other applicable laws:

   (i) Equity Share Capital:

      (a) with voting rights; and/or
      (b) with differential rights as to dividend, voting or otherwise; and

   (ii) Preference Share Capital

8. Except as otherwise provided by the conditions of issue of the shares or by these Articles, any capital raised by creation of new shares shall be considered as part of the existing share capital and shall be subject to the provisions of these Articles and the Act with reference to payment of calls and instalments, transfer, transmission, forfeiture, lien, surrender, voting rights and otherwise.

9. Subject to the provisions of the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue of such shares may, by special resolution determine.

10. Subject to the provisions of the Act and these Articles, the Company shall have the power to issue preference share capital carrying a right of redemption out of profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or liable to be redeemed at the option of the Company, and the Board may, subject to the provisions of the Act, exercise such power in such manner as it may think fit. The period of redemption of such preference shares shall not exceed the maximum period for redemption provided under Section 55 of the Act.

11. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

   (ii) To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply.

12. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

13. Subject to the provisions of the Act, the Company may issue bonus shares to its members out of (i) its free reserves; (ii) the securities premium account; or (iii) the capital redemption reserve account, in any manner as the Board may deem fit.

14. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, including the opportunity of attending (but not voting) general meetings where any subject affecting their interest is being discussed, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of shares, either wholly or partly paid up shall not be issued except with the sanction of the Company in general meeting by a special resolution and subject to the provisions of the Act.

15. Subject to the provisions of Sections 68 to 70 and other applicable provisions of the Act, the Company shall have the power to buy-back its own shares or other securities, as it may consider necessary.

16. Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable laws.

IV. Further issue of shares

17. Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

(i) to persons who, as on the date specified under applicable law, are holders of equity shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:

(a) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

(b) the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause (a) above shall contain a statement of this right; and

(c) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the shareholders and the Company;

(ii) to employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to the rules and such other conditions, as may be prescribed under the law; or

(iii) to any Persons, if it is authorized by a special resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the such conditions prescribed in the Act.

18. The notice referred to in sub-clause (a) of clause (i) of article (17) shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least 3 (three) days before the opening of the issue.

19. Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in a general meeting.

20. Notwithstanding anything contained in article (19) above, where any debentures have been issued or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion.

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

21. In determining the terms and conditions of conversion under article (20), the Government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.

22. Where the Government has, by an order made under article (20), directed that any debenture or loan or any part thereof shall be converted into shares in the Company and where no appeal has been preferred to the Tribunal under article (20) or where such appeal has been dismissed, the memorandum of the Company shall, where such order has the effect of increasing the authorized share capital of the Company, be altered and the authorized share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

23. The provisions contained in the Articles 17-22 shall be subject to the provisions of the section 42 and section 62 of the Act and other applicable provisions of the Act, wherever applicable.

V. Shares at disposal of the Board

24. Subject to the provisions of section 62 and other applicable provisions of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount at such time as they may, from time to time think fit, with the sanction of the Company in a general meeting.

25. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.

VI. Commission

26. The Company may exercise the powers of paying commissions conferred by sub-section (6) of Section 40 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section.

27. The rate or amount of the commission shall not exceed the rate or amount prescribed under sub-section (6) of Section 40 of the Act.

28. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

VII. Shares and shares certificates

29. The Company shall cause to be kept a register of members in accordance with Section 88 of the Act. The Company shall be entitled to maintain in any country outside India a “foreign register” of members or debenture holders resident in that country.

30. Every Person whose name is entered as a member in the register of members shall be entitled to receive:

(i) one (1) or more certificates in marketable lots for all the shares of each class or denomination registered in his name, without payment of any charge; or

(ii) several certificates, if the Board so approves (upon paying such fee as the Board so determines), each for one (1) or more of such shares, and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within the prescribed time period as provided under the applicable law of the receipt of application of , transmission, sub-division, consolidation or renewal of any of its shares as the case may be.

31. Every certificate shall be under the Seal, if any, and shall specify the number and distinctive numbers of the shares to which it relates and the amount paid-up thereon and shall be in such form as the Board may prescribe and approve. The Seal of the Company shall be affixed to all instruments as per applicable provisions of the Act

32. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than 1 (one) certificate, and delivery of a certificate for a share to 1 (one) or several joint holders shall be sufficient delivery to all such holders. Any member of the Company shall have the right to sub-divide, split or consolidate the total number of shares held by them in any manner and to request the Company to provide certificate(s) evidencing such sub-division, split or consolidation.

33. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of shares, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given to the party whose certificate has been lost or destroyed. Every certificate under this Article shall be issued without payment of fees if the Board so decides, or on payment of such fees (not exceeding ₹50 (Rupees Fifty) as the Board shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of shares. Notwithstanding the foregoing provisions of this Article, the Board shall comply with applicable law including the rules or regulations or requirements of any stock exchange, or the rules made under the Securities Contracts (Regulation) Act, 1956, or any statutory modification or re-enactment thereof, for the time being in force.

34. Subject to the provisions of the Act and the provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures of the Company.

35. If any share stands in the names of 2 (two) or more persons, the person first named in the register of members of the Company shall as regards voting at general meetings, service of notice and all or any matters connected with the Company, except the transfer of shares and any other matters herein otherwise provided, be deemed to be sole holder thereof but joint holders of the shares shall be severally as well as jointly liable for the payment of all deposits, instalments and calls due in respect of such shares and for all incidents thereof according to the Company's Articles.

36. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

VIII. Dematerialization of shares

37. Notwithstanding anything contained in the Articles, the Company shall be entitled to dematerialize its shares, debentures and other securities and offer such shares, debentures and other securities in a dematerialized form pursuant to the Depositories Act.

38. Notwithstanding anything contained in the Articles, and subject to the provisions of the law for the time being in force, the Company shall on a request made by a beneficial owner, re-materialize the shares, which are in dematerialized form.

39. Every Person subscribing to the shares offered by the Company shall have the option to receive share certificates or to hold the shares with a Depository. Where a Person opts to hold any share with the

Depository, the Company shall intimate such Depository of details of allotment of the shares to enable the Depository to enter in its records the name of such Person as the beneficial owner of such shares. Such a Person who is the beneficial owner of the shares can at any time opt out of a Depository, if permitted by the law, in respect of any shares in the manner provided by the Depositories Act and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of shares. In the case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.

40. All shares held by a Depository shall be dematerialized and shall be in a fungible form.

(a) Notwithstanding anything to the contrary contained in the Act or the Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of shares on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the Depository as the registered owner of the shares shall not have any voting rights or any other rights in respect of shares held by it.

41. Every person holding shares of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be the owner of such shares and shall also be deemed to be a shareholder of the Company. The beneficial owner of the shares shall be entitled to all the liabilities in respect of his shares which are held by a Depository. The Company shall be further entitled to maintain a register of members with the details of members holding shares both in material and dematerialized form in any medium as permitted by law including any form of electronic medium.

42. Notwithstanding anything in the Act or the Articles to the contrary, where shares are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of disks, drives or any other mode as prescribed by law from time to time.

43. Nothing contained in the Act or the Articles regarding the necessity to have distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

IX. Call on shares

44. (i) Subject to the provisions of the Act, the Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

45. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

46. A call may be revoked or postponed at the discretion of the Board.

47. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments. The Board shall not give the option or right to call on shares to any Person except with the sanction of the Company in the general meeting.

48. All calls shall be made on a uniform basis on all shares falling under the same class.

Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

49. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

50. i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof

to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

51. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

52. The Board –

(a) may, if it thinks fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him;

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, 12% per annum, as may be agreed upon between the Board and the member paying the sum in advance, provided that the money paid in advance of calls on any share may carry interest but shall not confer a right to participate in profits or dividend; and

(c) The member shall not be entitled to any voting rights in respect of the monies so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall *mutatis mutandis* apply to any calls on debentures of the Company.

X. Lien

53. (i) The Company shall have a first and paramount lien on every share or debenture (not being a fully paid-up share or debenture) registered in the name of each member (whether solely or jointly with others) to the extent of monies called or payable in respect thereof, and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of such share or debenture and no equitable interest in any share or debenture shall be created except upon the footing and condition that this Article will have full effect. Fully paid-up shares shall be free from all liens and in case of partly paid-up shares, the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

(ii) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

54. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made:

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

55. Unless otherwise agreed, the registration of a transfer of shares or debentures shall operate as a waiver of the Company's lien, if any, on such shares or debentures.

56. (i) To give effect to any such sale as set forth in Article 55 above, the Board may authorise some person to transfer the shares sold to the purchaser thereof;

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer;

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale;

(iv) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(v) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

57. A member shall not exercise any voting rights in respect of the shares in regard to which the Company has exercised the right of Lien.

XI. Transfer of shares

58. (i) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.

(ii) The instrument of transfer shall be in writing and all provisions of Section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

(iii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

59. The Board may, subject to the right of appeal conferred by Section 58 of the Act decline to register-

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the Company has a lien.

Provided that the registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons being indebted to the Company in any manner.

60. In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless:-

(a) the instrument of transfer is in the form as prescribed in sub-section (1) of Section 56 of the Act and the said form is to be used as a common form for transfer of shares;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

61. Subject to the provisions of the Act, these Articles and any other applicable law for the time being in force, the Directors may, at their own discretion and by giving reasons, decline to register or acknowledge any transfer of Shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within 15 days from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration or transfer shall not be refused on the ground of the transferor being either alone or jointly with

any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares.

62. On giving not less than 7 (seven) days' previous notice in accordance with Section 91 of the Act, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

63. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

XII. Transmission of Shares

64. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

65. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –

(a) to be registered himself as holder of the share; or
(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

66. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share in accordance with the provisions of these Articles relating to transfer of shares.

(iii) All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

67. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

68. No fee shall be payable to the Company, in respect of the registration of transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split,

consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.

XIII. Forfeiture of Shares

69. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

70. The notice aforesaid shall –

(a) name a further day (not being earlier than the expiry of 14 days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

71. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

72. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

73. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

(ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

74. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

75. The provisions of these Articles as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

XIV. Alteration of Capital

76. Subject to the provisions of these Articles, the Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

77. Subject to the provisions of section 61, the Company may, by ordinary resolution, --

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
(b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner.

(c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person; and

(e) re-classify any or part of un-issued equity shares into preference shares and/or vice versa.

78. Where shares are converted into stock, -

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those Articles shall include “stock” and “stock-holder”, respectively.

79. Subject to the provisions of the Act, the Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law:

(a) its share capital;

(b) any capital redemption reserve account; or

(c) (c) any share premium account.

XV. Capitalisation of Profits

80. (i) The Company in general meeting may, upon the recommendation of the Board, resolve:

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards –

(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);

(d) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;

(e) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

81. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall –

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power--

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

XVI. Buy-back of shares

82. Notwithstanding anything contained in these Articles but subject to the provisions of sections 68 to 70 of the Act and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

XVII. General Meetings

83. An annual general meeting shall be held in each calendar year within the timeline prescribed under the applicable law. Not more than 15 months shall elapse between the date of one annual general meeting of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the registrar of companies under the provisions of Section 96 of the Act to extend the time within which any annual general meeting may be held. Every annual general meeting shall be called during business hours on a day that is not a national holiday, and shall be held either at the registered office or at some other place within the city in which the registered office of the Company is situate, as the Board may determine.

84. All general meetings other than annual general meeting shall be called extraordinary general meeting.

85. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

86. The Board shall on the requisition of such number of member or members of the Company as is specified in Section 100 of the Act, forthwith proceed to call an extra-ordinary general meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all other provisions of Section 100 of the Act shall for the time being apply.

87. A general meeting of the Company may be convened by giving not less than 21 (twenty-one) clear days' notice either in writing or through electronic mode in such manner as prescribed under the Act. However, subject to applicable law, any general meeting may be convened by giving a shorter notice than 21 (twenty one) days with the consent in writing or by electronic mode of the shareholders representing not less than 95% (ninety five percent) of the members of the Company entitled to vote thereat in case of an annual general meeting and with the consent in writing or by electronic mode of the majority in number of the members entitled to vote, representing not less than 95% (ninety five percent) of the paid up capital of the Company in case of an extra-ordinary general meeting. Where a member is entitled to vote on some resolution or resolutions to be moved at a general meeting and not on the others, for the computation of the above, such members shall only be taken into account in respect of the former resolution or resolutions and not in respect of the latter.

88. Notice of every general meeting shall be given to the members and to such other person or persons as required by and in accordance with Section 101 and 102 of the Act and it shall be served in the manner authorized by Section 20 of the Act.

XVIII. Proceedings at general meetings

89. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103 of the Act.

90. The chairperson, if any, of the Board shall preside as chairperson at every general meeting of the Company.

91. If there is no such chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the Directors present shall elect one of their members to be the chairperson of the meeting.

92. If at any meeting no director is willing to act as the chairperson or if no director is present within 15 minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be the chairperson of the meeting.

XIX. Adjournment of meeting

93. (i) The chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) In the event a quorum as required herein is not present within 30 minutes of the appointed time, then subject to the provisions of Section 103 of the Act, the general meeting shall stand adjourned to the same day in the next week at the same time and place, or such other date and such other time and place as the Board may determine, provided that the agenda for such adjourned general meeting shall remain the same. The said general meeting if called by requisitionists under Article 82 herein read with Section 100 of the Act shall stand cancelled.

(iii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iv) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(v) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

(vi) The required quorum at any adjourned general meeting shall be the same as that required at the original general meeting.

(vii) If at the adjourned meeting also, a quorum is not present within half-an-hour from the time appointed for holding the meeting, the members present shall be the quorum.

XX. Voting Rights

94. Subject to any rights or restrictions for the time being attached to any class or classes of shares, -

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.

95. A member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Act and shall vote only once.

96. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

97. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

98. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

99. No member shall be entitled to vote at any general meeting either personally or by proxy unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

100. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive.

XXI. Proxy

101. Subject to the provisions of the Act and these Articles, any member of the Company entitled to attend and vote at a general meeting of the Company shall be entitled to appoint a proxy to attend and vote instead of himself and the proxy so appointed shall have no right to speak at the meeting.

102. The proxy need not be a member of the Company and shall not be entitled to vote except on a poll.

103. Unless otherwise set out in the notice, the instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

104. An instrument appointing a proxy shall be in the form as prescribed under Section 105 of the Act or the relevant rules made under the Act.

105. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

XXII. Board of Directors

106. (i) Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) nor more than 15, provided that the Company may appoint more than 15 directors after passing a special resolution. The Company shall have at the minimum such number of independent Directors on the Board of the Company, as may be required in terms of the provisions of applicable law.

(ii) Not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of directors by rotation.

107. The following persons are the first Directors of the Company:

1. Sunil Bhandari
2. Gautam Ray
3. Rajarshi Banerjee

108. (i) Subject to Section 197 and other applicable provisions of the Act, the remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them -

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or
(b) in connection with the business of the Company.

Subject to compliance with the Companies Act, 2013 and other applicable law, If authorized by the Board, any of the Director performs or renders any special duty or service outside his or her ordinary duties as a director, he or she may be paid such reasonable additional remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may from time to time determine.

(iii) Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

109. Subject to the provisions of the Act, every Director shall be paid out of the funds of the Company such sum as the Board may from time to time determine for attending every meeting of the Board or any committee of the Board, subject to the ceiling prescribed under the Act.

110. A Director shall not be required to hold any qualification shares in the Company.

111. Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint any other person as an additional or alternate director provided that the number of the Directors and additional directors together shall not at any time exceed the maximum number fixed as above and any person so appointed as an additional director shall retain his office only up to the date of the next annual general meeting or last date on which the annual general meeting should have been held, whichever is earlier, but shall then be eligible for re-appointment as director of the Company. Any person so appointed as alternate director shall not hold office for a period longer than that permissible to the original director and shall vacate the office if and when the original director returns to India.

112. The office of a Director shall automatically become vacant, if he is disqualified under any of the provisions of the Act. Further, subject to the provisions of the Act, a Director may resign from his office at any time by giving a notice in writing addressed to the Board and the Company shall intimate the registrar of companies and also place the fact of such resignation in the report of Directors laid in the immediately following general meeting. Such Director shall also forward a copy of his resignation along with detailed reasons for the resignation to the registrar of companies within 30 days of resignation. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later. The Company may, subject to the provisions of Section 169 of the Act and other applicable provisions of the Act and these Articles remove any Director before the expiry of his period of office.

113. At any annual general meeting at which a Director retires, the Company may fill up the vacancy by appointing the retiring director who is eligible for re-election or some other person if a notice for the said purpose has been left at the registered office of the Company in accordance with the provisions of the Act.

114. If the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board at a meeting of the Board. Provided any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated.

115. The Board may from time to time at its discretion, subject to the provisions of Sections 73, 179 and 180 of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purposes of the Company.

116. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

117. (i) In the event of the Company borrowing any money from any financial corporation or institution or government or any government body or a collaborator, bank, Person or Persons or from any other source ("**Lender(s)**"), while any money remains due to them or any of them, the Lender concerned may have and may exercise the right and power to appoint, from time to time, any person or persons to be a director or directors of the Company ("**Nominee Director**") on their own behalf and will take all corporate action to effectuate such right and the Directors so appointed, shall not be liable to retire by rotation, subject however, to the limits prescribed by the Act.;

(ii) The Nominee Director(s) may also be appointed a member of committees of the Board, if so desired by the Lender(s);

(iii) Any expenditure incurred by the Lender(s) and/ or the Nominee Director(s) in connection with his/their appointment of directorship shall be borne and payable by the Company;

(iv) The Nominee Director(s) shall be entitled to receive all notices, agenda, etc. and to attend all general meetings and meetings of the Board and meetings of any committees of the Board;

(v) The Nominee Director(s) shall furnish to the Lender(s), a report of the proceedings of all such meetings and the Company shall not have any objection to the same;

(vi) The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s);

(vii) The appointment/removal of the Nominee Director(s) shall be by a notice in writing by the Lender(s)addressed to the Company and shall [unless otherwise indicated by the Lender(s) take effect forthwith upon such a notice being delivered to the Company;

(viii) The Nominee Director(s) shall be entitled to all the rights, privileges and indemnities of other Directors including the sitting fees, if any and expenses as are payable by the Company to the other Directors, but if any other fees, commission, moneys or remuneration in any form are payable by the Company to the Directors in their capacity as Directors, the fees, commission, moneys and remuneration in relation to such Nominee Director(s) shall accrue to the Lender(s) and the same shall accordingly be paid by the Company directly to the Lender(s) for their account; and

(ix) The Nominee Director(s) so appointed shall hold the said office only so long as any monies remain owing by the Company to the Lender(s) and the Nominee Director(s) so appointed in exercise of the said power shall ispo facto vacate such office as and when the moneys owing by the Company to the Lender(s) are paid off.

118. The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

XXIII. Proceedings of the Board

119. (i) The Board may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A Director may, and the manager or secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.

(iii) A minimum number of 4 (four) Board meetings shall be held every year in such a manner that not more than 120 days shall intervene between 2 (two) consecutive meetings of the Board, in accordance with the provisions of the Act.

120. No business shall be conducted at any meeting of the Directors unless a quorum is present. The quorum for the meeting of the Board shall be one third of its total strength or 2 (two) Directors, whichever is higher, and the participation of the Directors by video conferencing or by other audio-visual means or any other means (to the extent permitted under the Act or otherwise provided by the Ministry of Corporate Affairs), in each case from time to time, shall also be counted for the purposes of quorum under this Article, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength of the Board, the number of remaining Directors, that is to say the number of Directors who are not interested and present at the meeting being not less than 2 (two), shall be the quorum during such time.

121. If quorum is found to be not present within 30 minutes from the time when the meeting should have begun or if during the meeting, valid quorum no longer exists, the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place. At the adjourned meeting, the quorum for the meeting of the Board shall be one third of its total strength or 2 (two) Directors, whichever is higher and may transact the business for which the meeting was called, and any resolution duly passed at such meeting shall be valid and binding on the Company.

122. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the chairperson of the Board, if any, shall have a second or casting vote.

123. The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

124. Subject to these Articles and Section 175 of the Act other applicable provisions of the Act, a circular resolution in writing, executed by or on behalf of a majority of the Directors or members of a committee, shall constitute a valid decision of the Board or committee thereof, as the case may be, provided that a draft of such resolution together with the information required to make a fully-informed good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any necessary papers, if any, was sent to all of the Directors or members of the committee (as the case may be) at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed under the Act, and has been approved by a majority of the Directors or members who are entitled to vote on the resolution.

125. (i) The Board may elect a chairperson of its meetings who shall preside over the meetings of the Board and determine the period for which he is to hold office.

(ii) If no such chairperson is elected, or if at any meeting the chairperson is not present within thirty minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairperson of the meeting.

126. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

127. (i) A committee may elect a chairperson of its meetings.

(ii) If no such chairperson is elected, or if at any meeting the chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the members present may choose one of their members to be the chairperson of the meeting.

128. (i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the chairperson shall have a second or casting vote.

129. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.

130. Every Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then the first meeting held after such change, disclose his concern or interest in any company, companies or bodies corporate, firms or other associations of individuals which shall include the shareholding in such manner as may be prescribed under the Act.

131. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

XXIV. Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

132. Subject to the provisions of the Act: -

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

133. The Board shall have the power to appoint an individual as the chairperson of the Company as well as the managing director or chief executive officer of the Company at the same time.

134. A whole-time director / chief financial officer / company secretary of the Company is severally authorised to sign any document or proceeding requiring authentication by the Company or any contract made by or on behalf of the Company.

135. Any provision of the Act or these Articles requiring or authorising a thing to be done by or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

XXV. The Seal

136. (i) The Board shall provide for the safe custody of the Seal.

(ii) The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of any two Directors or by a Director and the company secretary or one Director or the company secretary and such other person as the Board may appoint who shall sign every instrument to which the Seal of the Company is so affixed in his presence.

XXVI. Dividends and Reserves

137. The Company in a general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. No dividend shall be payable except out of the profits of the Company or any other undistributed profits.

138. Subject to the provisions of section 123 of the Act, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

139. (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

140. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

141. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

142. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

143. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

144. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

145. No dividend shall bear interest against the Company.

146. The waiver in whole or in part of any dividend on any share by any document (whether or not under Seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

147. Nothing herein shall be deemed to prohibit the capitalization of profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company.

148. The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company. Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, the Company shall, within 7 (seven) days from the date of expiry of the 30 day period, transfer the total amount of dividend which remains so unpaid or unclaimed, to a special account to be opened by the Company in that behalf in any scheduled bank. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under the Act. Unless otherwise required for compliance with the provisions of the applicable laws, there will be no forfeiture of unclaimed dividends before the claim becomes barred by law.

XXVII. Accounts

149. (i) Subject to the provisions of the Act, the Company shall keep at its registered office, proper books of accounts and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the Company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept and maintained on accrual basis and according to the double entry system of accounting, provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board may decide, in terms of the relevant provisions of the Act. Provided further that, the Company may keep such books of accounts or other relevant papers in electronic mode in such manner as provided in the Act.

(ii) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being Directors. Each Director shall be entitled to examine the books, accounts and records of the Company, and shall have free access, at all reasonable times and with prior written notice, to any and all properties and facilities of the Company. The Company shall provide such information relating to the business, affairs and financial position of the Company as any Director may reasonably require.

(iii) No member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

(iv) All the aforesaid books shall give a true and fair view of the Company's affairs with respect to the matters aforesaid and explain its transactions.

(v) The books of accounts of the Company relating to a period of not less than 8 (eight) years immediately preceding the current year together with the vouchers relevant to any entry in such books of account shall be preserved in good order.

XXVIII. Audit

150. The statutory auditors of the Company shall be appointed, their remuneration shall be fixed, rights, duties and liabilities shall be regulated, and their qualifications and disqualifications shall be in accordance with the provisions of Sections 139 to 148 (both inclusive) of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended.

151. The Board of Directors may fill up any casual vacancy in the office of the auditors within 30 (thirty) days subject to the provisions of Section 139 and 140 of the Act.

152. The remuneration of the auditors shall be fixed by the Company in the annual general meeting or in such a manner as the Company in the annual general meeting may determine except that, subject to the applicable provisions of the Act, remuneration of the first or any auditor appointed by the Board of Directors may be fixed by the Board of Directors.

153. The Company shall also appoint an accounting firm as the internal auditor to conduct internal audit of the functions and activities of the Company in accordance with the provisions of the Act.

XXIX. Borrowing Powers

154. Subject to the provisions of the Act, the Board may from time to time, at their discretion raise or borrow or secure the payment of any sum or sums of money for and on behalf of the Company. Any such money may be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and securities of the Company or by other means as the Board deems expedient.

155. The Board shall not except with the consent of the Company, by way of a special resolution or such other manner as may be prescribed by the applicable Act, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of paid up capital of the Company and its free reserves.

156. Subject to the Act and the provisions of these Articles, any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Board, who may issue them upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company.

XXX. Secrecy

157. Subject to the provisions of the Act, no member shall be entitled to visit or inspect any work of the Company without the permission of the Board of Directors, managing directors or secretary or to require inspection of any books of accounts or documents of the Company or any discovery of any information or any detail of the Company's business or any other matter, which is or may be in the nature of a trade secret, mystery of secret process or which may relate to the conduct of the business of the Company and

which in the opinion of the Board of Directors or the managing Director will be inexpedient in the collective interests of the members of the Company to communicate to the public or any member.

158. Every Director, manager, secretary, auditor, trustee, member of committee, officer, servant, agent, accountant or other person employed in the business of the Company will be upon entering his duties pledging himself to observe strict secrecy in respect of all matters of the Company including all transaction with customers, state of accounts with individual and other matters relating thereto and to not reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board of Directors or by any meeting or by a court of law and except so far as may be necessary in order to comply with any of the provisions in these Articles and the provisions of the Act.

XXXI. Winding up

159. The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016 (to the extent applicable).

XXXII. Indemnity

160. Subject to the provisions of the Act, every Director, secretary and the other officers for the time being of the Company acting in relation to any of the affairs of the Company shall be indemnified out of the assets of the Company from and against all suits, proceedings, cost, charges, losses, damage and expenses which they or any of them shall or may incur or sustain by reason of any act done or committed in or about the execution of their duty in their respective office except such suits, proceedings, cost, charges, losses, damage and expenses, if any that they shall incur or sustain, by or through their own wilful neglect or default respectively.

161. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly or reasonably.

XXXIII. General Authority

162. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company cannot carry out any transaction unless the Company is so authorized by its Articles then in that case, these Articles hereby authorize and empower the Company to have such rights, privilege or authority and to carry out such transaction as have been permitted by the Act.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of our Company on any working day (i.e. Monday to Friday and not being a bank holiday in Kolkata) between 10:00 AM and 2:00 PM for a period of seven days from the date of filing of this Information Memorandum with the Stock Exchanges.

Documents for Inspection:

- Memorandum and Articles of Association of the Company, as amended till date.
- Certification of incorporation of our Company dated February 7, 2017 issued by the RoC and the certificate of incorporation pursuant to change of name dated December 13, 2018.
- Statement of tax benefits dated October 30, 2018 issued by the Statutory Auditor, along with the certificate dated October 30, 2018.
- Order dated March 28, 2018 of the National Company Law Tribunal, Kolkata bench approving the Composite Scheme of Arrangement.
- Letters issued by BSE, CSE and NSE under Regulation 37 of SEBI Listing Regulations, bearing reference no. DCS/AMAL/AC/R37/915/2017-18 dated September 15, 2017, no. CSE/LD/13669/2017 dated September 20, 2017 and no. NSE/LIST/12640 dated September 15, 2017, respectively, approving the Scheme of Arrangement.
- SEBI's letter (bearing reference no. CFD/DIL-I/YJ/KB/735/2019) dated January 8, 2019 granting relaxation of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 as per the SEBI Circular issued by SEBI dated March 10, 2017 for the purpose of listing of the Equity Shares of CESC Ventures Limited.
- BSE letter no. DCS/AMAL/BA/IP/1372/2018-19 dated December 27, 2018 granting in-principle approval for listing.
- CSE letter no. CSE/LD/14480/2019 dated January 4, 2019 granting in-principle approval for listing.
- NSE letter no. NSE/LIST/69521 dated December 17, 2018 granting in-principle approval for listing.
- Tripartite Agreement dated September 18, 2017 with NSDL, Registrar and Transfer Agent and our Company.
- Tripartite Agreement dated October 30, 2018 with CDSL, Registrar and Transfer Agent and our Company.

DECLARATION

All relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. It is further certified that all statements made in this Information Memorandum are true and correct.

For and on behalf of the Board of Directors of CESC Ventures Limited

Suhail

Name: Suhail Sameer
Designation: Wholetime Director (Additional)
Place: Kolkata
Date: January 18. 2019