

18 May 2017

To,

BSE Limited
Sir Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400001
Security code: 500084

The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C-1, Block G
Bandra Kurla Complex, Bandra (East)
Mumbai – 400051
Scrip code: CESC

The Calcutta Stock Exchange Limited
7, Lyons Range
Kolkata – 700 001
Scrip code: 10000034

Dear Sir/ Madam,

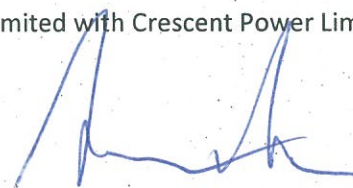
SUB: Intimation of the outcome of the meeting of the board of directors of the CESC Limited (“Company”) held on 18 May 2017 and disclosures under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended (“Listing Regulations”)

REF: 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 Limited (“Company”), Haldia Energy Limited, RP-SG Retail Limited, RP-SG Business Process Services Limited, Crescent Power Limited, and their respective shareholders, under Sections 230 and 232 and other applicable provisions of the Companies Act, 2013 (“Scheme”)

The Company wishes to inform you that the board of directors of the Company (“the Board”) at its meeting today, 18 May 2017, approved the draft Scheme.

The Scheme, *inter alia*, provides for the following:

- (a) amalgamation of CESC Infrastructure Limited, Spencer’s Retail Limited and Music World Retail Limited with the Company;
- (b) demergers of (i) Generation Undertaking (as defined in the Scheme) of the Company to Haldia Energy Limited, (ii) Retail Undertaking 1 (as defined in the Scheme) of the Company and Retail Undertaking 2 (as defined in the Scheme) of Spencer’s Retail Limited to RP-SG Retail Limited and (iii) IT Undertaking of the Company to RP-SG Business Process Services Limited.
- (c) amalgamation of Spen Liq Private Limited with RP-SG Business Process Services Limited;
- (d) amalgamation of New Rising Promoters Private Limited with Crescent Power Limited



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- (e) reduction and cancellation of the existing share capital of Haldia Energy Limited, RP-SG Retail Limited and RP-SG Business Process Services Limited; and
- (f) reduction of the face value of the equity share of the Company from INR 10 per share to INR 5 per share and subsequent consolidation of two equity shares of the Company of INR 5 each into one equity share of INR 10 each.

The equity shares of Haldia Energy Limited, RP-SG Retail Limited and RP-SG Business Process Services Limited shall be listed on Calcutta Stock Exchange, BSE Limited, and National Stock Exchange of India Limited, post effectiveness of the Scheme. The shareholders of the Company will get shares in these listed companies in the same proportion as their holding in the Company.

Post restructuring, in addition to the IT Undertaking, the RP-SG Business Process Services Limited will house various other ventures of the group, inter alia, property, entertainment and fast moving consumer goods business. As part of this alignment investments in/ by Guiltfree Industries Limited and Apricot Foods Private Limited will also be held by RP-SG Business Process Services Limited.

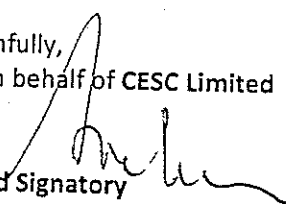
The Scheme as approved by the Board would be available on the website of the Company post filing of the same with stock exchanges. The Board's approval of the Scheme as aforesaid is subject to necessary approvals by the stock exchanges, SEBI, shareholders of the companies, Kolkata Bench of NCLT and such other statutory and regulatory approvals as may be required.

In terms of the Listing Regulations read with Securities and Exchange Board of India Circular No CIR/CFD/CMD/4/2015 dated 9 September 2015, we are furnishing herewith the details of the Scheme as Annexure I, Annexure II, and Annexure III.

Thanking you,

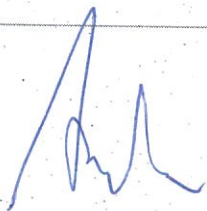
Yours faithfully,
For and on behalf of CESC Limited

Authorised Signatory

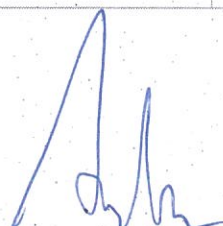


Annexure I – Amalgamation/ Merger

a)	Name of the entity(ies) forming part of the amalgamation/ merger, details in brief such as size, turnover etc	<ol style="list-style-type: none"> 1. <u>CESC Infrastructure Limited ("CIL")</u> Total assets – INR 3,820.58 crore Net worth – INR 2,902.63 crore Turnover – INR 7.84 crore as on 31 March 2017 2. <u>Spencer's Retail Limited ("SRL")</u> Total assets – INR 58,305.30 Lakh Net worth – INR (1,69,599.98) Lakh Turnover – INR 2,02,127.26 Lakh as on 31 March 2017 3. <u>Music World Retail Limited ("MWRL")</u> Total assets – INR 0.01 Lakh Net worth – INR (2,103.73) Lakh Turnover – Nil as on 31 March 2017 4. <u>Spen Liq Private Limited ("SLPL")</u> Total assets – INR 472.16 crore Net worth – INR 472.11 crore Turnover – Nil as on 31 March 2017 5. <u>New Rising Promoters Private Limited ("NRPPL")</u> Total assets – INR 4,925 Lakh Net worth – INR (6,429) Lakh Turnover – INR 5,113 Lakh as on 31 March 2017 6. <u>CESC Limited ("CESC")</u> Total assets – INR 26,254.64 crore Net worth – INR 13,323.75 crore Turnover – INR 7,220.07 crore as on 31 March 2017 7. <u>Haldia Energy Limited ("HEL")</u> Total assets – INR 5,964.24 crore Net worth – INR 1,642.52 crore Turnover – INR 2,032.47 crore as on 31 March 2017 8. <u>RP-SG Retail Limited ("RRL")</u> Total assets – Nil* Net worth – Nil*
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	<p>Turnover – Nil* as on 15 May 2017</p> <p>* Company incorporated on 8 February 2017 – yet to commence any activity</p> <p>9. RP-SG Business Process Services Limited (“RBPSL”) Total assets – Nil** Net worth – Nil** Turnover – Nil** as on 15 May 2017</p> <p>** Company incorporated on 7 February 2017 – yet to commence any activity</p> <p>10. Crescent Power Limited (“CPL”) Total assets – INR 43,771 Lakh Net worth – INR 25,697 Lakh Turnover – INR 16,712 Lakh as on 31 March 2017</p>
b) Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms’ length”	All the above mentioned parties are direct or indirect subsidiaries of CESC and the transaction is being done at arm’s length.
c) Area of business of the entity(ies)	<p>1. CIL – The Company is engaged, <i>inter alia</i>, in the business of promoting and supporting entities engaged in infrastructure sector including power. Its two wholly-owned subsidiaries are engaged in generation of thermal power projects in the states of West Bengal and Maharashtra with an aggregate installed capacity of 1200MW.</p> <p>2. SRL – The Company is engaged, <i>inter alia</i>, in developing and conducting organized retail business and own and operate 124 multi-brand retail outlets in various cities and towns across the Country.</p> <p>3. MWRL – The Company is engaged, <i>inter alia</i>, in the business of organized music retailing and dealing with music accessories.</p> <p>4. SLPL – The Company is engaged, <i>inter alia</i>, in the business of promoting and supporting entities engaged in information technology, business process outsourcing and other related business.</p>



		<p>5. NRPPL – The Company is engaged, <i>inter alia</i>, in the business of undertaking sports and related activities in various forms including grooming budding youngsters. It currently owns a franchisee cricket team in Indian Premier League.</p> <p>6. CESC – This Company is engaged in the business of generation and distribution of electricity and in supplying power to about 3 million customers in its licensed area covering about 567 sq. km. covering Kolkata and Howrah. It also has interests in various businesses including retail, business process outsourcing, information technology, real estate, entertainment etc.</p> <p>7. HEL – The Company is engaged in the business of generation of electricity and currently owns a 2 x 300MW Thermal Power Station in the state of West Bengal.</p> <p>8. RRL – The Company has been incorporated recently with an objective to engage, <i>inter alia</i>, in developing, conducting, investing and promoting organized retail.</p> <p>9. RBPSL – The Company has been incorporated recently with an objective to engage, <i>inter alia</i>, 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 the Board.</p> <p>10. CPL – The Company is engaged in the business of generation of electricity and currently owns a 40MW Thermal Power Project in the state of West Bengal and a 18MW Solar Power Project in the state of Tamil Nadu.</p>
d)	Rationale for amalgamation/ merger	The Company is the flagship company of the RP-Sanjiv Goenka Group. The Company supplies electricity to the cities of Kolkata and Howrah. The core operation of the Company is its electricity distribution business including



distribution franchisees. It also has electricity generation business, *inter alia* supplying electricity to the licensed distribution business.

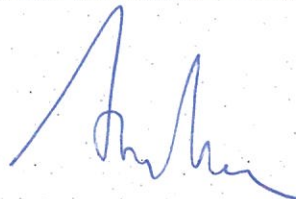
However, over the course of time, the Company has grown into a diversified conglomerate having interests in various businesses including retail, business process outsourcing, information technology, real estate, entertainment etc. The Company is also focused on renewable energy and is operating wind, solar, and hydro projects. 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 the Company to reorient and reorganize itself in a manner that allows imparting greater focus on each of its businesses. With this repositioning, the Company is desirous of enhancing operational efficiency. It will continue with its distribution business, with the generating stations supplying earlier to the licensed distribution business continuing with such supply.

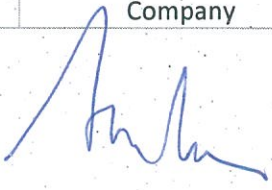
The Company proposes to reorganise and segregate by way of a demerger its Generation Undertaking, Retail Undertaking 1, Retail Undertaking 2 (from SRL) and IT Undertaking to Resulting Companies (as defined in the Scheme). Further, the Company proposes the merger of Transferor Companies (as defined in the Scheme) with and into Transferee Companies (as defined in the Scheme) to rationalise and streamline the group structure.

The proposed restructuring pursuant to this Scheme shall, *inter alia*, result in following benefits:

- (a) segregation and unbundling of the generation, distribution, retail and business process outsourcing/management business of the Demerged



	<p>Companies (as defined in the Scheme) into the Resulting Companies and the Transferee Companies, which will render enhanced focus on the Demerged Companies for exploiting opportunities of each of the said companies ;</p> <p>(b) unlocking of value for the shareholders of the Demerged Companies, attracting investors and providing better flexibility in accessing capital, focused strategy and specialization for sustained growth;</p> <p>(c) further expanding the business of the Resulting Companies into growing markets of India, thereby creating greater value for the shareholders of the Resulting Companies;</p> <p>(d) augmenting the infrastructural capability of the Resulting Companies to effectively meet future challenges in their respective businesses;</p> <p>(e) the combination of the Demerged Undertakings and the Resulting Companies is a strategic fit for serving existing market and for catering to additional volume linked to new consumers;</p> <p>(f) 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</p> <p>(g) enhancing competitive strength, achieving cost optimization, ensuring benefits through pooling of the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Resulting Companies and the Demerged Company thereby significantly</p>
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		<p>contributing to future growth and maximizing shareholders' value.</p> <p>The proposed restructuring is in the interest of the shareholders, creditors, employees, and other stakeholders in each of the companies.</p>
e)	In case of cash consideration – amount or otherwise share exchange ratio	The mergers being contemplated involve merger of wholly owned subsidiaries with the parent entity and hence there will be no consideration on merger.
f)	Brief details of change in shareholding pattern (if any) of listed entity	There will be no change in the shareholding pattern of the listed entity pursuant to the amalgamation/ merger.



Annexure II – Demerger

a. Brief details of the division(s) to be demerged

Generation Undertaking

The Generation Undertaking of the Company means the power generation business of the Company together with the all the undertakings, assets, properties, investments and liabilities of whatsoever nature and kind, and wheresoever situated, of the Company, in relation to and pertaining to the power generation business. It shall also include the investments of the Company in the power generation business and projects, and in the renewable energy business and projects.

IT Undertaking

The IT Undertaking of the Company means all the business in relation to the information technology business of the Company together with all its undertakings, assets, properties, investments and liabilities of whatsoever nature and kind, and wheresoever situated, of the Company, in relation to and pertaining to the business of information technology. It shall also include the investment of the Company in SLPL.

Retail Undertaking 1

The Retail Undertaking 1 of the Company means retail business of the Company and includes the Spencer's brand and all intellectual property and interests associated with the name Spencer's. It shall also include all undertakings, assets, properties, investments and liabilities of whatsoever nature and kind, and wheresoever situated, of the Company, in relation to and pertaining to the retail business.

Retail Undertaking 2

The Retail Undertaking 2 of SRL shall mean retail business of SRL together with all the undertakings, assets, properties, investments and liabilities of whatsoever nature and kind, and wheresoever situated, of the SRL, in relation to and pertaining to the retail business. It is clarified that the Retail Undertaking 2 shall not include the retail business of SRL in the state of Gujarat and investments of SRL.

b. Turnover of the demerged division as percentage of the total turnover of the listed entity in the immediately preceding financial year/ based on financial statements of the last financial year

#	Particulars	Turnover (INR in Crore) As on 31 March 2017	% to the total turnover of the Company as on 31 March 2017
a)	Generation Undertaking	2034.23	28.17%
b)	IT Undertaking	64.00	0.89%
c)	Retail Undertaking 1	11.39	0.16%
d)	*Retail Undertaking 2	1988.66	98.40%

* Retail Undertaking 2 will be demerged from the wholly owned subsidiary of the Company, namely Spencer Retail Limited. The % turnover is accordingly based on the turnover of the SRL.

c. Rationale for demerger

Please refer to Part d of Annexure 1 above.

d. Brief details of change in shareholding pattern (if any) of all entities

- There will be no change in the shareholding pattern of the Company pursuant to the Scheme;
- The shareholding pattern of HEL, RP-SG Retail Limited and RP-SG Business Process Services Limited will mirror that of the Company as on the Record Date (as defined in the Scheme); and
- SRL will merge with the Company and hence its share capital will be cancelled on effectiveness of the Scheme.

e. In case of cash consideration – amount or otherwise share exchange ratio

- **For the demerger and vesting of Generation Undertaking (as defined in the Scheme)**
For every 10 equity shares of the Company held by a shareholder on the record date, such shareholder shall be entitled to receive 5 (five) fully paid up equity shares of INR 10 (Indian Rupees Ten) each of Haldia Energy Limited.
- **For the demerger and vesting of Retail Undertaking 1 (as defined in the Scheme)**
For every 10 equity shares of the Company held by a shareholder on the record date, such shareholder shall be entitled to receive 6 (six) fully paid up equity shares of INR 5 (Indian Rupees Five) each of RP-SG Retail Limited.
- **For the demerger and vesting of Retail Undertaking 2 (as defined in the Scheme)**
5,00,000 (five lakh) fully paid up preference shares of INR 100 (Indian Rupees One hundred) each of RP-SG Retail Limited.
- **For the demerger and vesting of IT Undertaking (as defined in the Scheme)**
For every 10 equity shares of the Company held by a shareholder on the record date, such shareholder shall be entitled to receive 2 (two) fully paid up equity shares of INR 10 (Indian Rupees Ten) each of RP-SG Business Process Services Limited.

f. Whether listing would be sought of the resulting entity

Equity shares of HEL, RP-SG Retail Limited and RP-SG Business Process Services Limited will be listed on the stock exchanges.



Annexure III – Other Restructuring

a. Details and reasons for capital reduction

Post the restructuring, in order to align the share capital with the assets of the Company, it is proposed to reorganize and consolidate the share capital of the Company.

b. Quantitative and/ or qualitative effect of restructuring

The face value of the equity share of the Company will be reduced from INR 10 to INR 5. Thus, an amount of INR 66,27,85,215 will be reduced from the share capital and will be credited to the capital reserve account of the Company. Subsequently, two equity shares of the Company of INR 5 each shall be consolidated into one equity share of INR 10 each.

c. Details of benefit, if any, to the promoter/ promoter group/ group companies from such proposed restructuring

The Scheme does not result in any benefits to the promoter/ promoter group/ group companies to the exclusion of the other shareholders.

d. Brief details of change in shareholding pattern (if any) of all entities

The shareholding pattern of the Company remains the same post reduction and consolidation of capital.

