

BOSE & CHAKRABARTI
CHARTERED ACCOUNTANTS
16/C, SACHIN MITRA LANE
KOLKATA- 700 003

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SPEN LIQ PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Spen Liq Private Limited** ("the Company"), which comprise the Balance Sheet as at March, 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit



also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March, 31, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March, 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March, 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i The Company does not have any pending litigations as at March, 31, 2015 which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts as at March, 31, 2015



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March, 31, 2015

For BOSE & CHAKRABARTI
Firm Registration Number: 322138E
Chartered Accountants

D. Majumdar

D. Majumdar
Partner
Membership Number 13714

Kolkata
19-05-2015



Annexure to Independent Auditors' Report

Referred to in paragraph 1 of the Independent Auditors' Report of even date to the members of Spen Liq Private Limited on the financial statements for the year ended March, 31, 2015

- i. The Company does not have any fixed assets and accordingly the provisions of clause 3(i)(a) and 3(i)(b) of the said order are not applicable .
- ii. The Company does not have any inventory and accordingly the provisions of Clause 3(ii) of the said Order are not applicable.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues in respect of provident fund and income tax and other material statutory dues, as applicable, with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax which have not been deposited on account of any dispute.
(c) There are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. The Company has no accumulated losses as at 31st March 2015 but has incurred cash losses during the financial year covered by our audit. In the immediately preceeding financial year also, the Company had incurred cash loss.
- ix. As the Company does not have any borrowings from any financial institution or bank nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.
- xi. The Company has not raised any term loans. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.



Annexure to Independent Auditors' Report

Referred to in paragraph 1 of the Independent Auditors' Report of even date to the members of Spen Liq Private Limited on the financial statements for the year ended March , 31, 2015

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- xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For BOSE & CHAKRABARTI
Firm Registration Number: 322138E
Chartered Accountants

D. Majumdar

D. Majumdar
Partner
Membership Number 13714

Kolkata
19-05-2015



SPEN LIQ PRIVATE LIMITED

Registered Office: 31, Netaji Subhas Road, Kolkata-700001

Balance Sheet as at 31st March, 2015

Particulars	Note No.	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2.1	4,71,02,80,500	4,71,02,80,500
Reserves and Surplus	2.2	1,12,23,163	1,14,16,055
Current liabilities			
Other Current Liabilities	2.3	2,68,952	3,80,154
Short Term Provisions	2.4	57,546	41,336
TOTAL		4,72,18,30,161	4,72,21,18,045
II. ASSETS			
Non-current assets			
Non-Current investments	2.5	4,71,69,71,150	4,71,69,71,150
Current assets			
Cash and bank balances	2.6	48,59,011	51,46,895
TOTAL		4,72,18,30,161	4,72,21,18,045
Significant Accounting Policies	1		
Notes 1 - 2.14 form an integral part of the Accounts.			

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

For Bose & Chakrabarti
Firm Registration Number - 322138E
Chartered Accountants
D. Majumdar
Partner
Membership Number 13714

For and on behalf of the Board of Directors



Director
DirectorPlace: Kolkata
Date:19-05-2015

SPEN LIQ PRIVATE LIMITED**Registered Office: 31, Netaji Subhas Road, Kolkata-700001****Statement of Profit and Loss for the year ended 31st March, 2015**

Particulars	Note No.	2014-15 Rs.	2013-14 Rs.
Other Income	2.7	-	1,57,389
Revenue		-	1,57,389
Expenses			
Other expenses	2.8	72,892	55,902
Employee Benefit Expenses	2.9	1,20,000	1,18,334
		1,92,892	1,74,236
Profit/(Loss) before tax		(1,92,892)	(16,847)
Tax expenses:			
Current		-	48,633
Profit / (Loss) for the Year		(1,92,892)	(65,480)
Earnings per equity share (Face value of Rs. 10 per share)			
Basic and Diluted	2.10	(0.00)	(0.00)
Significant Accounting Policies	1		
Notes 1 - 2.14 form an integral part of the Accounts.			

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

For Bose & Chakrabarti
Firm Registration Number - 322138E
Chartered Accountants


D. Majumdar
Partner

Membership Number 13714

Place: Kolkata
Date:19-05-2015



For and on behalf of the Board of Directors


Director


Director

SPEN LIQ PRIVATE LIMITED

Registered Office: 31, Netaji Subhas Road, Kolkata-700001

1 .Significant Accounting Policies

i) Accounting Convention

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211 (3C) {Companies (Accounting Standard) Rules ,2006, as amended } and other relevant provisions of the Companies Act,2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-non-current classification of assets and liabilities

ii) Investments

Non-current Investments are stated at cost. Provision is made where there is a decline, other than temporary, in the value of non-current Investments. Current Investments are stated at lower of cost and fair value.

iii) Taxes on Income

Current tax represents the amount payable based on computation of tax as per prevailing taxation laws under the Income Tax Act, 1961.

Deferred Tax is recognized, for all the timing differences subject to consideration of prudence, in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the company reassesses unrecognised deferred tax assets, if any.

iv) Revenue Recognition

The Company follows mercantile system of accounting and recognizes revenue as per AS-9 on "Revenue Recognition" issued by The Institute of Chartered Accountants of India.

Other income from investments and deposits etc. is accounted for on accrual basis inclusive of related tax deducted at source, where applicable.



SPEN LIQ PRIVATE LIMITED

Registered Office: 31, Netaji Subhas Road, Kolkata-700001

Note - 2.1 : Share Capital

Particulars	As at	As at
	31st March, 2015 Rs.	31st March, 2014 Rs.
Authorised Share Capital		
500,000,000 (31.03.14 : 500,000,000) Equity Shares of Rs 10/- each	5,00,00,00,000	5,00,00,00,000
Issued, Subscribed and Paid up capital		
471,028,050 (31.03.14 : 471,028,050) Equity Shares of Rs 10/- each, fully paid up	4,71,02,80,500	4,71,02,80,500
	4,71,02,80,500	4,71,02,80,500

(a) **Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs 10/- per share. Each holder of equity is entitled to one vote per share. The Company has not declared any dividend to its shareholders since inception. In the event of liquidation of the Company the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) **Details of shareholders holding more than 5 % shares in the Company**

Name of shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares	%	No. of shares	%
CESC Limited	47,10,28,050	100	47,10,28,050	100
	47,10,28,050	100	47,10,28,050	100

Equity Share Capital of the Company is held by CESC Limited the Holding Company

(c) **Reconciliation of shares outstanding at the beginning and at the end of the reporting year**

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares	Rs.	No. of shares	Rs.
Opening balance at the beginning of the year	47,10,28,050	4,71,02,80,500	47,00,28,050	4,70,02,80,500
Add: Equity shares issued during the year			10,00,000	1,00,00,000
Shares outstanding at the end of the year	47,10,28,050	4,71,02,80,500	47,10,28,050	4,71,02,80,500



SPEN LIQ PRIVATE LIMITED**Registered Office: 31, Netaji Subhas Road, Kolkata-700001****Note - 2.2 : Reserves and Surplus**

Particulars	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Surplus in the Statement of Profit and Loss		
Credit balance at the beginning of the year	1,14,16,055	1,14,81,535
Add: Profit / (Loss) for the year	(1,92,892)	(65,480)
Credit balance at the end of the year	<u>1,12,23,163</u>	<u>1,14,16,055</u>

Note - 2.3: Other Current Liabilities

Particulars	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Statutory dues payable	2,500	-
Other Payables	2,66,452	3,80,154
	<u>2,68,952</u>	<u>3,80,154</u>

There is no amount due to Micro and Small Enterprises as referred in the Micro, Small and Medium Enterprise Development Act, 2006 based on the Information available with the Company.

Note 2.4 : Short Term Provisions

Particulars	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Provision for taxation (Net of advance payment of tax of Rs 17,091,087/-(31.03.14.: Rs. 17,107,297)	57,546	41,336
	<u>57,546</u>	<u>41,336</u>



SPEN LIQ PRIVATE LIMITED**Registered Office: 31, Netaji Subhas Road, Kolkata-700001****Note 2.5: Non Current Investments**

Particulars	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Trade Investments - Quoted		
Investments in Equity Instruments of Subsidiary Companies		
373,976,673(Previous year : 373,976,673) Equity Shares of First Source Limited of Rs 10 each, fully paid up Market Value : Rs 1153.72 crore (Previous year: 942.42 crore)	4,71,69,71,150	4,71,69,71,150
	4,71,69,71,150	4,71,69,71,150

(a) All non-current investments are long term in nature.

Note 2.6: Cash and Bank Balances

Particulars	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
(a) Cash and Cash equivalents		
Cash in Hand	-	3,100
Balance with Banks in current accounts	48,59,011	51,43,795
	48,59,011	51,46,895



SPEN LIQ PRIVATE LIMITED

Registered Office: 31, Netaji Subhas Road, Kolkata-700001

Note 2.7 : Other Income

Particulars	2014-15 Rs.	2013-14 Rs.
Interest Income	-	1,57,389
	-	1,57,389

Note 2.8 : Other Expenses

Particulars	2014-15 Rs.	2013-14 Rs.
Auditors' Remuneration		
Audit Fees	25,000	20,000
Tax Audit Fee	-	5,000
Other Services	25,000	-
Filing Fees	-	7,800
Rates & Taxes	1,900	-
Professional Fees	19,868	20,860
Miscellaneous Expenses	1,124	2,242
	72,892	55,902

Note 2.9 : Employee Benefit Expenses

Particulars	2014-15 Rs.	2013-14 Rs.
Salaries, Wages & Bonus	1,20,000	1,18,334
	1,20,000	1,18,334



SPEN LIQ PRIVATE LIMITED**Registered Office: 31, Netaji Subhas Road, Kolkata-700001****Note 2.10: Earnings per Share**

Computation of Earnings per Share

Particulars	2014-15 Rs.	2013-14 Rs.
(i) Number of Equity Shares at the beginning of the year	471,028,050	470,028,050
(ii) Number of Equity Shares issued during of the year	-	1,000,000
(iii) Number of Equity Shares at the end of the year	471,028,050	471,028,050
(iv) Weighted average number of Equity Shares outstanding for the year for Basic EPS (A)	-	47,00,30,790
(v) Face Value of each Equity Share (in Rs.)	10	10
Profit / (Loss) attributable to Equity Shareholders (C) (in Rs.)	(192,892)	(65,480)
Basic & Diluted Earnings / (Loss) Per Share of Rs. 10 (C/A)	(0.00)	(0.00)

Note 2.11: Related Party disclosures

2.11.1. Related Parties and their Relationship

Name of Related Parties	Nature of Relationship
CESC Limited	Holding Company
Firstsource Solutions Limited	Subsidiary Company
Firstsource Group USA, Inc., Firstsource BPO Ireland Ltd., Firstsource Solutions UK Ltd., Anunta Tech Infrastructure Services Ltd., Firstsource-Dialog Solutions Pvt. Ltd., MedAssist Holding, LLC, Firstsource Business Process Services, LLC, Firstsource Solutions USA, LLC, Firstsource Advantage, LLC, Firstsource Transaction Services, LLC, Firstsource Solutions SA (Argentina), One Advantage LLC, USA	Subsidiaries of Firstsource Solutions Limited
Spencer's Retail Limited, CESC Properties Limited, Metromark Green Commodities Private Limited, Music World Retail Limited, Au Bon Pain Café India Limited, Nalanda Power Company Limited, Surya Vidyut Limited, Bantal Singapore Pte Ltd, CESC Projects Limited, Dhariwal Infrastructure Limited, CESC Infrastructure Limited, Haldia Energy Limited, Papu Hydropower Projects Limited, Pachi Hydropower Projects Limited, Ranchi Power Distribution Company Limited, Sheesham Commercial Private Limited, Water Hyacinth Commosale Private Limited, Wigeon Commotrade Private Limited, Crescent Power Limited	Fellow Subsidiary Companies
Mr. Manoj Kumar Roy	Key Management Personnel



SPEN LIQ PRIVATE LIMITED**Registered Office: 31, Netaji Subhas Road, Kolkata-700001****2.11.2 Details of transactions between the Company and related parties and status of outstanding balance.**

Type of Transaction	Holding Company		Fellow Subsidiary Companies		Key Management Personnel	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
Equity Share Capital Issued	-	10,000,000	-	-	-	-
Refund of Share Application money	-	10,200,000	-	-	-	-
Salary Paid – Mr. Manoj Kumar Roy	-	-	-	-	120,000	118,334
Outstanding Balance						
--Debit	-	-	-	-	-	-
--Credit	-	-	-	-	235,694	117,014

Note 2.12:

The company has a single segment as per Accounting Standard – 17 issued by the Institute of Chartered Accountants of India.

Note 2.13:

The Company is in the process of appointing a Company Secretary.

Note 2.14:

Previous year figures have been re-classified/regrouped wherever necessary.

For Bose & Chakrabarti
Firm Registration Number - 322138E
Chartered Accountants

For and on behalf of the Board of Directors



D. Majumdar
Partner
Membership Number 13714


Director
Director

Place: Kolkata

Date: 19-05-2015.



SPEN LIQ PRIVATE LIMITED

Registered Office: 31, Netaji Subhas Road, Kolkata-700001

Cash Flow Statement for the year ended 31st March ,2015

Particulars	2014-15	2013-14
	(Rs.)	(Rs.)
A. Cash Flow from Operating Activities		
(Loss) before taxation for the year/period	(1,92,892)	(16,847)
Adjustment for :		
Interest Income	-	(1,57,389)
Operating Loss before Working Capital Changes	(1,92,892)	(1,74,236)
Adjustment for:		
Receivables	-	15,738
Payables	(94,992)	(2,60,56,642)
Cash Generated from Operations	(2,87,884)	(2,62,15,140)
Income Tax Paid	-	1,19,37,173
Net Cash Flow from/used in Operating Activities	(2,87,884)	(3,81,52,313)
B. Cash Flow from Investing Activities		
Investments in Subsidiary	-	-
Interest Income	-	10,90,309
Net Cash used in Investing Activities	-	10,90,309
C. Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital	-	-
Advance against Equity Shares received/(refunded)	-	(1,02,00,000)
Net Cash Flow from Financing Activities	-	(1,02,00,000)
Net Increase of Cash and Cash Equivalents	(2,87,884)	(4,72,62,005)
Cash and Cash Equivalents - Opening Balance	51,46,895	5,24,08,899
Cash and Cash Equivalents - Closing Balance	48,59,011	51,46,895

Notes:

- The Cash Flow Statement has been prepared under the indirect method as given in the Accounting Standard on Cash Flow Statement (AS-3) as per Companies Accounting Standard Rules, 2006.
- Previous year figures have been regrouped/rearranged wherever necessary

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

For Bose & Chakrabarti
Firm Registration Number - 322138E
Chartered Accountants


D. Majumdar
Partner

Membership Number 13714

Place: Kolkata
Date: 19-05-2015

For and on behalf of the Board of Directors


Director


Director

