



Date: 16-05-2022

To
The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

Scrip Code: 512341

Dear Sir / Madam,

Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- Outcome of Board Meeting held on 16.05.2022.

Ref: Intimation letter dated 27.04.2022

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015, we would like to inform that the Board of Directors of the Company at their meeting held on 16.05.2022 have inter-alia considered and approved the following business;

1. Approval of Scheme of Arrangement

- i. At the Board meeting of the company held on 08.04.2022, the board in-principle approved the proposal of Scheme of Arrangement, subject to such approvals as may be required as per various regulations and enactments as may be applicable.
- ii. The Board considered and approved the Scheme of Arrangement at their Meeting held on 16.05.2022, after considering the recommendations proposed and reports forwarded by the audit committee and Independent Directors, on the Draft Scheme of Arrangement together with Valuation Report issued by Registered Valuer, Fairness Opinion by Merchant Banker for the proposed Scheme of Arrangement and other documents as prescribed by SEBI Master Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, all other SEBI circulars as applicable for Scheme of Arrangement and pursuant to other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act 2013, etc.,.



- iii. As per the Draft Scheme approved by the Board, upon the Scheme becoming effective after obtaining the approval of SEBI, Stock exchange, Shareholders, Creditors, other regulatory authorities and the National Company Law Tribunal, the Company through Scheme of Arrangement will be demerged with CES Technology Services Private Limited being the resulting company, wherein it will result in demerger of ITES undertaking including with all the related assets and liabilities of Demerged Company into Resulting Company and also delisting of the shares of the Demerged Company from the stock exchange(s).

Particulars of Scheme of Arrangement	
a) Brief details of the division(s) to be demerged;	<p>CES LIMITED ("Demerged Company"), a publicly listed Company having its equity shares listed on BSE Limited.</p> <p>CES TECHNOLOGY SERVICES PRIVATE LIMITED ("Resulting Company"), a private company.</p> <p>Presently the Demerged Company is predominantly engaged in the business of Information Technology (IT) and Information Technology Enabled Services (ITES). The Scheme in the present case provides for demerger of ITES undertaking including with all the related assets and liabilities of Demerged Company into Resulting Company and also delisting of the shares of the Demerged Company from the stock exchange(s)</p>
b) Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year;	<p>The turnover of the demerged division i.e ITES division of the company for the FY 2020-21 was Rs. 8318.77 Lakhs representing 65.58% of the total standalone turnover of the CES Limited.</p>
c) Rationale for Demerger;	<p>i) The Demerged Company predominantly is into the business IT and ITES.</p> <p>ii) The Scheme in the present case provides for demerger of ITES undertaking including with all the related assets and liabilities of Demerged Company into</p>



	<p>Resulting Company and also delisting of the shares of the Demerged Company from the stock exchange(s).</p> <p>iii) The Demerged Company has excellent forays into the markets and with an objective to increase their market share; the promoters seek investment by external investors/ partners. The Board of Directors of the Demerged Company wants to delink the ITES business completely from all other activities hence considered prudent to demerge ITES business of the Demerged Company.</p> <p>iv) The Demerged Company is a publicly listed Company having its equity shares listed on BSE Limited. Though the Demerged Company though the Company is listed Company the demerged company has only 25 shareholders. Further the shares of the demerged company are not frequently traded. As the shares of the demerged company are not frequently traded the shareholders of the demerged company could not get the benefit of listing the shares on the Stock Exchange, however the demerged Company is incurring huge cost in compliance, being a listed Company, further the demerged company also contemplate to expand the remaining business for which the demerged company may require to raise capital from investors. Hence, the promoters seek to delist the shares of the demerged Company from Stock Exchanges, which will not only help the demerged company to reduce the cost but also make it easy for the demerged company to raise funds that are required for expansion of the remaining business of the demerged company.</p> <p>v) The Scheme provides for segregation of the assets, liabilities (including resources deployed) related to the divisions being vested by way of demerger and also provide for delisting of the share of the demerged company from stock exchanges.</p>
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	<p>vi) Such segregation and delisting would result in having a structure ready for external investments in Demerged Company and the Resulting Company.</p> <p>The Board of Directors of the Demerged Company and the Resulting Company are of the opinion that the Scheme of Arrangement would benefit the shareholders, employees and other stakeholders of the Demerged Company and the Resulting Company.</p>
d) Brief details of change in shareholding pattern (if any) of all entities;	<p>The paid up capital of Demerged Company would be reduced to Face value of Rs 7/- from Rs 10 by way of capital reduction.</p> <p>Consequently, the paid-up share capital after demerger shall stand at Rs.25,48,00,000/- divided into 3,64,00,000 equity shares of Rs. 7/- each.</p> <p>The paid-up share capital of the Resulting Company i.e., Rs 1,00,000/- shall be cancelled by way of capital reduction.</p> <p>The Resulting Company will issue 1 share to each shareholder of CES Ltd for 2 shares held in CES Ltd having face value of Rs. 3/- each. Accordingly, the paid-up share capital of the Resulting shall at Rs. 5,46,00,000/- divided into 1,82,00,000 equity shares of Rs. 3/- each</p>
e) In case of cash consideration – amount or otherwise share exchange ratio;	No
f) Whether listing would be sought for the resulting entity.	No



CMMI Level 5 Company

CES Limited

Reg office: 7th Floor Ramky
Selenium Building,
Nanakramguda ,Gachibowli ,
Hyderabad - 500032.

2) Authorization has been given to Mr. Mohana Rao Kancharla, Wholetime Director to sign and submit the required documents and do the needful with regard to submission and obtaining the necessary approvals from BSE/ SEBI and such other competent authorities.

We request you to take the above intimation on your record and acknowledge the receipt of the same.

Thanking You,

Yours faithfully,
For **CES Limited**



Suraj Kumar Garg
Company Secretary