



CES LIMITED

CIN: L55100TG1985PLC045963

ANNUAL REPORT

2021 - 2022



BOARD OF DIRECTORS

Mr. Murali Krishna Tummala (1889806)
Mr. Duruvasan Ramachandra (00223052)
Mr. Mohana Rao Kancharla (00004288)
Mr. Rama Krishna Sabbineni (01825682)
Mr. Venkateswara Rao Davarapalli (00028498)
Mr. Sai Krishna Kancharla (07775575)
Mrs. Aruna Krishna Sabbineni (06997005)

Chairman and Independent Director
Independent Director
Whole-time Director
Alternate Director of Mr. Venkateswara Rao
Director
Director
Director - Women

Corporate Identity Number (CIN)

L55100TG1985PLC045963

KEY MANAGERIAL PERSONNEL

Mr. Mohana Rao Kancharla - Whole -Time Director
Mr. Srinivas Raju Kucherlapati - Chief Financial Officer
Mr. Suraj Kumar Garg – Company Secretary

BANKERS

ICICI Bank
Bank of India
IndusInd Bank

AUDITORS

P C N & ASSOCIATES
Chartered Accountants
Plot No. 12, "N Heights" Ground
Floor, Cyberabad, Hyderabad -
500081

INTERNAL AUDITOR

M/s P R VARMA & Co
H. No. 136 2RT flat No. 101
Sree Nilaya Apartments
S. R. Nagar Hyderabad - 500038

SECRETARIAL AUDITOR

CS Sarada Putcha
8-3-168/B/10, Siddhartha
Nagar, ESI, Near A.G. Colony
Hyderabad - 500038

REGISTERED OFFICE

7th Floor, Tower-A, Ramky
Selenium, Nanakramguda,
Gachibowli,
Hyderabad - 500 032
Ph: 040 42421122
Fax: 040 66259444
Email - info@cesltd.com
Website - www.cesltd.com

SHARE TRANSFER AGENTS

Aarthi Consultants Pvt. Ltd.,
1-2-285, Domalguda,
Hyderabad - 500 029
Ph: 040 - 27634445
Fax: 040 – 27632184

LISTING AT

Bombay Stock Exchange Limited, Mumbai

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NOTICE

NOTICE is hereby given that the 37th Annual General Meeting of CES Limited will be held on Friday, 30th day of September 2022, at 4:00 P.M.at the Registered Office of the Company through Video Conferencing (VC) facility/Other Audio-Visual Means (OAVM), to transact the following Business:

ORDINARY BUSINESS

1. To consider and adopt:

a.Audited Financial Statements of the Company for the financial year ended March 31, 2022 together with reports of the Board of Directors ("the Board") and Statutory Auditors thereon.

b.Audited Consolidated Financial Statements of the Company for the financial year 31st March, 2022 togetherwith the reports of Statutory Auditors thereon.

2. To re- appoint Mr. Sai Krishna Kancharla (07775575) who retires by rotation and being eligible, offers himself for re-appointment.

To consider reappointment of Mr. Sai Krishna Kancharla (07775575), who retires by rotation and being eligible, offers himself for re-appointment as Director and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sai Krishna Kancharla (07775575), who retires by rotation at this meeting and being eligible has offered himself for re- appointment, be and is hereby re-appointed as Director of the Company, liable to retire by rotation."

3. To appoint M/s P Murali & Co, Chartered Accountants (ICAI Firm Registration No. 007257S), as the statutory auditors of the Company.

To consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s P Murali & Co, Chartered Accountants (ICAI Firm Registration No. 007257S) be and are hereby appointed as statutory auditors of the Company for term of five consecutive years, who shall hold office the conclusion of this Annual General Meeting till the conclusion of 42nd Annual General Meeting in the year 2027 on such remuneration as may be decided by the Board of Directors, in consultation with the statutory auditors of the Company

**BY ORDER OF THE BOARD
For CES Limited**

PLACE: Hyderabad

DATE: 05/09/2022

Suraj Kumar Garg
Company Secretary

IMPORTANT NOTES:

1. Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India forms part of the notice.

A) General instructions for accessing and participating in the 37th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting

3. Pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, and 2/2022 dated April 8, 2020, April 13, 2020, May 5, 2020 and May 5, 2022, respectively, issued by the Ministry of Corporate Affairs ('MCA') and Securities and Exchange Board of India ('SEBI') Circular Nos. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 12, 2020, and May 13, 2022, respectively (collectively referred to as 'the Circulars'), companies are permitted to hold the AGM through VC/ OAVM, without the physical presence of the members at a common venue. Accordingly, the 37th AGM of the Company will be convened through VC/ OAVM in compliance with the provisions of the Act and Rules made thereunder, the Listing Regulations read with the Circulars.
4. In accordance with the Secretarial Standard -2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification dated April, 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
5. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.

6. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with Rule 18(1) of the Companies (Management and Administration) Rules, 2014, the Notice calling the AGM along with the Annual Report for the financial year 2021-2022 is being sent in electronic mode to all the Members who have registered their e-mail ID's with the Company/Depository Participants for communication purposes. Members who have not registered their e-mail address or if there is any change in their e-mail address are requested to register/update their e-mail address for receiving all communications including Notices, Circulars, etc. from the Company electronically. Members may also note that the Annual Report for financial year 2021- 2022 will also be available on the Company's website - www.cesltd.com under the investor section for download.

Members are requested to support Green Initiative by registering/updating their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) or with Registrar and Transfer Agent or the Company (in case of Shares held in physical form) in the prescribed form which can be downloaded from the Company's website at www.cesltd.com for receiving all communication including Annual report, notices from the Company electronically.

7. The Register of Members and Share Transfer Books of the Company shall remain closed from 24th September 2022 (Saturday) to 30th September 2022 (Friday). (Both days inclusive). The Book closure date for the purpose of AGM is 23rd September, 2022
8. Company has appointed NSDL to provide facility for voting through remote e-Voting, for participation in the 37th AGM through VC/OAVM Facility and e-Voting during 37th AGM.
9. Attendance of the members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
10. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the time mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available on first come first served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. are allowed to attend the meeting without restriction on account of first-come first-served principle.
11. Corporate members intending to attend/vote at AGM through VC by their respective authorized representative(s) pursuant to section 113 of the Companies Act, 2013 to are requested to send their authorizations/ resolutions/ power of attorney to Mr. Suraj Kumar Garg (surajkumar.garg@cesltd.com) a duly certified copy of the same or upload it on the e-voting portal authorizing their representatives to attend and vote on their behalf at the Annual General Meeting of the Company.
12. The Board of Directors has appointed CS Sarada Putcha ACS No. 21717 & CP N. 8735, as a Scrutinizer to scrutinize the remote e-voting process and voting process at AGM in a fair and transparent manner and she has communicated her willingness to be appointed.

13. The scrutinizer shall, immediately after the conclusion of the e- voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e- voting and make, not later than 48 hours from conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, and hand it over to Chairman or Director or Key Managerial Personnel as authorized by the Board of the Company, who shall countersign the same.
14. The results of voting will be declared within 48 hours from the conclusion of the Annual General Meeting. The results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website www.cesltd.com and on www.evoting.nsdl.co.in. Further, the results shall be displayed on the Notice Board of the Company at its Registered Office and will also be posted on the website of Company. It shall also be communicated to relevant Stock Exchanges.

**BY ORDER OF THE BOARD
For CES Limited**

PLACE: Hyderabad
DATE: 05/09/2022

Suraj Kumar Garg
Company Secretary

**ADDITIONAL INFORMATION OF DIRECTORS BEING APPOINTED AT THE ANNUAL GENERAL MEETING
(Pursuant to Regulation 36(3) of SEBI(LODR) Regulation, 2015)**

Name	Shri Sai Krishna Kancharla
Date of Birth	24 – May- 1989
Date of first Appointment on the Board	03-July-2017
Qualification	Post graduate
Directorship held in other Companies	Nil
Membership/Chairmanships of Committees across other public Companies	Nil
Brief Profile covering experience, achievements etc.	Shri Sai Krishna Kancharla is acting as the Non-Executive Director of the company since 03-July-2017 and having wide experience management related areas
Relationship with other Directors	He is the nephew of Shri. Mohana Rao Kancharla, Whole time director of the Company
Shares held in the Company	8,75,000 equity shares of Rs. 10/- each (2.40%)

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on **27th September, 2022 (09:00 A.M).** and ends on **29th September, 2022 (5:00 P.M)**. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, 23rd September, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, 23rd September, 2022

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

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





Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none">Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jspVisit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page

	<p>of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sharadacs@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to surajkumar.garg@cesltd.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to surajkumar.garg@cesltd.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-

Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at surajkumar.garg@cesltd.com.. The same will be replied by the company suitably.



DIRECTORS' REPORT

To
The Members of
M/s. CES LIMITED

The Directors have pleasure in presenting the 37th Annual Report of the Company together with the Audited Accounts for the year ended on 31st March 2022 (01.04.2021 to 31.03.2022).

FINANCIAL RESULTS

(Rs. In Lacs)

	Consolidated		Standalone	
	2021-22	2020-2021	2021-22	2020-2021
Total Revenue	40,063.58	32,953.69	17019.47	13,211.76
Depreciation	543.35	659.27	295.06	297.71
Profit Before Taxation	4,711.41	3,380.20	2025.79	693.72
Provision for Taxation	1,153.78	814.84	529.19	405.24
Profit after Taxation	3,557.63	2,565.36	1496.60	288.48
Total Comprehensive Income	3,083.83	2,405.07	1015.16	164.26

BUSINESS PERFORMANCE OF THE COMPANY

Standalone: Our revenue for financial year 2021-22 is Rs. 17019.47 Lacs and our profit after tax (PAT) Rs. 1496.60 Lacs.

Consolidated: Our revenue for financial year 2021-22 is Rs. 40,063.58 Lacs and our consolidated profit after tax (PAT) is Rs. 3,557.63 Lacs.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Name	Designation / Category
Mr. Murali Krishna Tummala(01889806)	Chairman (Independent Director)
Mr. Duruvasan Ramachandra (00223052)	Member (Independent Director)
Mr. Rama Krishna Sabbineni(01825682)	Member (Non-Executive Director)

NOMINATION & REMUNERATION COMMITTEE



Name	Designation / Category
Mr. Duruvasan Ramachandra (00223052)	Chairman(Independent Director)
Mr. Murali Krishna Tummala (01889806)	Member (Independent Director)
Mr. Rama Krishna Sabbineni(01825682)	Member (Non-Executive Director)

STAKEHOLDER RELATIONSHIP COMMITTEE

Name	Designation / Category
Mr. Murali Krishna Tummala (01889806)	Chairman (Independent Director)
Mr. Duruvasan Ramachandra (00223052)	Member (Independent Director)
Mr. Rama Krishna Sabbineni (01825682)	Member (Non- Executive Director)

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Name	Designation / Category
Mr. Murali Krishna Tummala (01889806)	Chairman (Independent Director)
Mr. Rama Krishna Sabbineni (01825682)	Member (Non- Executive Director)
Mr. Mohana Rao Kancharla (00004288)	Executive Director

DURING THE FINANCIAL YEAR 2021-2022, SEVEN BOARD MEETINGS WERE HELD AS FOLLOWS:

Regular meetings of the Board were held to review the performance of the Company, to discuss and decide on various business strategies, policies and other issues.

During the Financial year 2021-22, Seven meetings of the Board of Directors of the Company were held on the following dates: -

- 28-05-2021
- 30-06-2021
- 13-08-2021
- 03-09-2021
- 29-09-2021
- 13-11-2021
- 14-02-2022



FINANCIALS OF SUBSIDIARY COMPANY

Pursuant section 129 sub section (3), the financials of subsidiary are as per Annexure –I in form AOC-1.

ANNUAL RETURN

The annual return of the company as on March 31, 2022, in terms of the provisions of Section 134(3)(a) of the Act, is available on the company's website: www.cesltd.com

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134 of the Companies Act 2013:

- (a) That in the preparation of the annual accounts/financial statements for the financial year ended 31st March 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) That the accounting policies as mentioned in the financial statements were selected and applied consistently and reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period
- (c) That proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) That the annual accounts were prepared on a going concern basis;
- (e) That proper internal financial controls were in place and that such internal financial controls are adequate and were operating effectively; and
- (f) That proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively

STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS -149(6)

The Company has received Certificate of Independence from Independent Director, inter-alia, pursuant to Section 149 of the Companies Act, 2013, confirming and certifying that they have complied with all the requirements of being an Independent Director of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT (SECTION 186)

During the financial year Company has not invested or provided loans and guarantee pursuant to section 186 of Companies Act 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES (188(1))



The Company entered into related party transactions has appropriately disclosed to stock exchanges.

AMOUNT IF ANY, IF IT PROPOSES TO CARRY TO RESERVES:

During the end of the financial year the Company has not transferred any amount to reserves.

NO DIVIDENDS DECLARED FOR FINANCIAL YEAR 2021-2022:

The Company is at expansion mode; therefore, Board is of Opinion that there is no need to declare dividends.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 13 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, to this report.

(a) Conservation of Energy:

This year we devoted considerable attention on methods and approaches to conserve power. Significant steps taken in this regard include the following:-

- Turning off monitors during weekends.
- Hibernation of Desktops & notebook computers when not in use.
- Turning off lights in all floors when not working.
- Turning off the Air Conditioners during non-peak hours and on weekends.

(b) (i) Technology Absorption, adaptation and innovation:-

- As you would appreciate, technology is witnessing rapid change. Since our customers expect us to lead them through such change, we proactively & continuously invest in developing technology building blocks and solution frameworks which add value to our customers' business. Company uses a multi-pronged strategy for developing technology assets and to promote innovation. These technology initiatives are driven by each business unit based on the trends they see in their respective markets. These efforts help us in two ways (i) gain our customers' trust & confidence; and (ii) attract & retain key talent who see the Company as a more exciting place to work in.

(ii) Research and Development (R&D):

Your company carries out various research and development initiatives to address different market segment.

(c) Foreign Exchange earnings and outgo:

(Rs. In Lacs)



Particulars	31.03.2022	31.03.2021
Foreign Exchange Earnings	16,422.13	11,549.37
Foreign Exchange Outgo :	NIL	NIL
Foreign Travelling	NIL	NIL

AUDITORS

Statutory / Financial Audit

The tenure of the existing auditors shall P C N & Associates, (FRN: 016016S) shall conclude at the ensuing annual general meeting.

The Board of Directors have proposed to appoint M/s. P Murali & Co, Chartered Accountants (ICAI Firm Registration No. 007257S) at the ensuing general meeting for a period of 5 years i.e. from the conclusion of the 37th AGM till the conclusion of the 42nd AGM owing to completion of tenure of the existing auditors.

The Statutory Auditors' Report does not contain any reservation, qualification or adverse remark.

The Auditors have not reported any offence involving fraud committed against the Company by the officers or employees of the Company under sub section (12) of section 143 to Board.

Secretarial Audit and Annual Secretarial Compliance Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Smt. Sharada Putcha Company Secretaries in Practice (C.P No.8735) to undertake the Secretarial Audit of the Company and for its material subsidiary Company i.e CES Information Technologies Private Limited. The Report of the Secretarial Audit Report is annexed herewith as **Annexure- II.**

Internal Auditors

Pursuant to provisions of section of 138 of Companies Act 2013 and Companies (Accounts) Rules, 2014, Board of Directors appointed M/s P R VARMA & Co Chartered Accountants (Firm Registration No. 021498S) as Internal Auditors of the Company

EXPLANATION OR COMMENTS BY THE BOD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE AUDITORS IN AUDIT REPORT

Pursuant to section 134(3) (f) (i) there are no qualification, reservation or adverse remark or disclaimer made by the Auditors in Audit report.



MATERIAL CHANGES & COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY, OCCURRING AFTER BALANCE SHEET DATE

The Board of Directors at their meeting held on 16.05.2022 have decided into a scheme of arrangement with CESTechnology Services Private Limited. 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).

CHANGE IN THE NATURE OF BUSINESS

During the year, there was no change in the nature of business of the company or any of its subsidiaries.

DETAILS OF DIRECTORS/KMP APPOINTED/RESIGNED DURING THE YEAR

Mr. Surya Prakash M resigned as Company Secretary (KMP) of the Company effective from 3rd September, 2021. Subsequently, the Board appointed Mr. Suraj Kumar Garg as Company Secretary (KMP) w.e.f. 29th September, 2021.

NAME OF THE COMPANIES WHICH HAVE BECOME/CEASED TO BE SUBSIDIARIES

There is no such instance during the financial year. The details of subsidiary companies, associate companies and foreign branch are as follows

Sl. No	Name of the Company	Relationship
i.	CES Information Technologies Private Limited	Subsidiary Company
ii.	CES USA Inc.	Subsidiary Company
iii.	CES Technology Services Private Limited	Subsidiary Company
iv.	CES Global IT Solutions Private Limited	Subsidiary Company

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS, TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the financial year there is no such instance which has significant influence on the company

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

In order to comply with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace. All women employees permanent, temporary or contractual are covered under the above policy. An Internal Complaint Committee (ICC) has been set up in compliance with the said Act. To build awareness in this area, the Company has been conducting awareness sessions during induction. During the year under review, no complaints pertaining to sexual harassment of women employees were reported.



WHISTLE BLOWER POLICY & VIGIL MECHANISM

In terms of the requirements of the Companies Act, 2013 and LODR Regulations, the Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any, including reporting instances of leak of UPSI or suspected leak of UPSI by employees and taking appropriate actions on such reporting. The Audit Committee reviews the functioning of the vigil / whistle blower mechanism from time to time. There were no allegations / disclosures / concerns received during the year under review in terms of the vigil mechanism established by the Company.

DETAILS OF DEPOSITS ACCEPTED

The Company did not accept any fixed deposits within the meaning of section 73 of the Companies Act, 2013 during the year. no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

DISCLOSURE ABOUT RECEIPT OF ANY COMMISSION BY MD / WTD FROM A COMPANY AND ALSO RECEIVING COMMISSION / REMUNERATION FROM IT HOLDING OR SUBSIDIARY

A. Remuneration of Directors and Key Managerial Personnel

(Rs. Lakhs)

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:			
S.No.	Particulars of Remuneration	Mohana Rao Kancharla Whole time Directors	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	18.81 - -	
Total		18.81	

B. Remuneration to other Directors:

(Rs. Lakhs.)

S.No.	Particulars of Remuneration	Name of the Director		Total Amount
		Duruvasan Ramachandra	Murali Krishna Tummala	
1	Fee for attending board / committee meetings	1.00	1.05	2.05
2	Commission	Nil	Nil	Nil
3	Others, please specify	Nil	Nil	Nil
Total				

C. Remuneration to Key Managerial Personnel Other than MD / Manager/WT (Rs. Lakhs)

S.No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Srinivas Raju Kucherlapati Chief Financial Officer	Mr. Surya Prakash M Company Secretary	Mr. Suraj Kumar Garg	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19.73	6.81	4.56	31.1
	Total	19.73	6.81	4.56	31.1

Note : Mr. Surya Prakash Mungelkar Resigned on 03.09.2021 and Mr. Suraj Kumar Garg was appointed w.e.f. 29-09-2021

BOARD EVALUATION

The Board has carried out the annual evaluation of its own performance and that of its Committees and individual Directors for the year pursuant to the provisions of the Act and the corporate governance requirements prescribed under the Listing Regulations. The performance of the Board and individual Directors was evaluated by the Board after seeking inputs from all the Directors. The criteria for performance evaluation of the Board was based on the Guidance Note issued by SEBI on Board Evaluation which included aspects such as Board composition and structure, effectiveness of Board processes, contribution in the long term strategic planning, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members.

The criteria for performance evaluation of the Committees was based on the Guidance Note issued by SEBI on Board Evaluation which included aspects such as structure and composition of committees, effectiveness of committee meetings, etc.

In a separate meeting held on February 14, 2022, the Independent Directors evaluated the performance of Non-Independent Directors and performance of the Board as a whole. They also evaluated the performance of the Chairman taking into account the views of Executive Director and Non-Executive Directors. The NRC reviewed the performance of the Board, its Committees and of the Directors. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors and NRC, at which the feedback received from the Directors on the performance of the Board and its Committees was also discussed.

Policy on Directors' Appointment, Remuneration & Other details

The Company adopted a policy relating to the remuneration. This Policy covers the remuneration and other terms of employment for the Company's Executive Team. The remuneration policy for members of the Board and for management, aims at improving the performance and enhancing the value of the Company by motivating and retaining them and to attract the right persons to the right jobs in the Company. The object of this Remuneration Policy is to make your Company a desirable workplace for competent employees and thereby secure competitiveness, future development and acceptable profitability.

Particulars of Contracts / Arrangements with Related Parties

During the financial year 2021-2022, your Company has entered into transactions with related parties as defined under Regulation 23 of the SEBI (LODR) Regulations, 2015 and section 2(76) of the Companies Act, 2013 read with Companies (Specifications of definitions Details) Rules, 2014, all of which were in ordinary course of Business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013, read with the Rules issued thereunder and the Listing Regulations. Further, there were no transactions with related parties which qualify as material transactions under the Listing Regulations.

The details of the related party transactions as per Accounting Standard 18 are set out in Note 26 to the standalone financial Statements forming part of this report.

INFORMATION REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;: 1:1

Notes: "Median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one

- The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Name	2020-21	2021-22	Variation
Wholetime Director	18	18.81	4.50%
Chief Financial Officer	21.32	19.73	-7.46%
Company Secretary	13.88	11.37	-18.08%

Note: The chief financial officer of the company was changed in the financial year 2020-21 and the company secretary was changed in the financial year 2021-22. Therefore, there is negative variation in the salary of chief financial officer and the Company Secretary

- The percentage increase in the median remuneration of employees in the financial year 2021-22 - 12 %
- The Permanent employees on rolls of the Company were 764 as on 31st March 2022.
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: **Not applicable.**
- It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.



Acknowledgement

Your Directors would like to express their sincere appreciation and gratitude for the support and co-operation received from the Central and State Governments, Greater Hyderabad Municipal Corporation, Stock Exchanges, Ministry of Corporate Affairs, Shareholders, Bankers, Financial Institutions, Customers, Suppliers, Contractors and other Associates for their continued support to the Company.

The Company enjoyed very cordial and fruitful relations with the employees during the year under review and the Management wishes to place on record its sincere appreciation of the efforts put in by the Company's executives, staff and workers for achieving reasonable results under demanding circumstances.

For and on behalf of the Board of Directors of
M/s. CES Limited

Date	:	05/09/2022	Mohan Rao Kancharla	Rama Krishna Sabbineni
Place	:	Hyderabad	DIN: 00004288	DIN: 01825682
			Whole- Time Director	Director

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1. Company Name - CES GLOBAL IT SOLUTIONS PRIVATE LIMITED

Sl. No.	Particulars	Details
1.	Name of the subsidiary	CES GLOBAL IT SOLUTIONS PRIVATE LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA
4.	Share capital	1,00,000
5.	Reserves & surplus	11,14,20,249
6.	Total assets	15,44,15,974
7.	Total Liabilities	15,44,15,974
8.	Investments	
9.	Turnover	34,66,15,476
10.	Profit before taxation	4,04,81,357
11.	Provision for taxation	1,29,04,492.39
12.	Profit after taxation	2,75,76,865
13.	Proposed Dividend	Nil
14.	% of shareholding	100%

2. Company Name - CES INFORMATION TECHNOLOGIES PRIVATE LIMITED

Sl. No.	Particulars	Details
1.	Name of the subsidiary	CES INFORMATION TECHNOLOGIES PRIVATE LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4.	Share capital	1,00,000
5.	Reserves & surplus	25,84,50,189
6.	Total assets	33,31,59,893
7.	Total Liabilities	33,31,59,893
8.	Investments	Nil
9.	Turnover	40,88,27,145
10.	Profit before taxation	8,32,45,071
11.	Provision for taxation	2,06,65,610
12.	Profit after taxation	6,25,79,461
13.	Proposed Dividend	Nil
14.	% of shareholding	70%

3. Company Name - CES TECHNOLOGY SERVICES PRIVATE LIMITED

Sl. No.	Particulars	Details
1.	Name of the subsidiary	CES TECHNOLOGY SERVICES PRIVATE LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4.	Share capital	1,00,000
5.	Reserves & surplus	2,10,97,989
6.	Total assets	2,15,76,722
7.	Total Liabilities	2,15,76,722
8.	Investments	Nil
9.	Turnover	8,29,381
10.	Profit before taxation	13,52,950
11.	Provision for taxation	3,41,222
12.	Profit after taxation	10,11,728
13.	Proposed Dividend	Nil
14.	% of shareholding	100%

4. Company Name - CES USA, INC

Sl. No.	Particulars	Details
1.	Name of the subsidiary	CES USA, INC
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Reporting currency - USD Exchange rate - 75.32
4.	Share capital	3,45,89,632
5.	Reserves & surplus	40,41,99,646
6.	Total assets	1,03,96,21,576
7.	Total Liabilities	1,03,96,21,576
8.	Investments	Nil
9.	Turnover	2,11,51,10,818
10.	Profit before taxation	14,34,81,913
11.	Provision for taxation	2,85,47,667
12.	Profit after taxation	11,49,34,246
13.	Proposed Dividend	Nil
14.	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations - Nil
- Names of subsidiaries which have been liquidated or sold during the year. Nil

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures – Not applicable

Name of associates/Joint Ventures			
1. Latest audited Balance Sheet Date			
2. Shares of Associate/Joint Ventures held by the company on the year end			
No.			
Amount of Investment in Associates/Joint Venture			
Extend of Holding%			
3. Description of how there is significant influence			
4. Reason why the associate/joint venture is not consolidated			
5. Net worth attributable to shareholding as per latest audited Balance Sheet			
6. Profit/Loss for the year			
i. Considered in Consolidation			
ii. Not Considered in Consolidation			

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

For P C N & Associates,		For and on behalf of the Board	
Chartered Accountants		CES Limited	
Firm Regn. No: 016016S			
		Mohana Rao Kancharla	Rama Krishna S
		Wholetime Director	Director
Date	30th May,2022	Srinivasa Raju Kucherlapati	Suraj Garg
Place	Hyderabad	Chief Financial Officer	Company Secretary

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022
[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
CES LIMITED.
Seventh Floor, Tower- A, Ramky Selenium Building,
Plot No.31& 32, Nanakramguda, Gachibowli Hyderabad - 500032
Telangana, India.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CES Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon

AUDITOR'S RESPONSIBILITY:

My responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. I have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards

UNMODIFIED OPINION:

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made there under;

- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment; (External Commercial Borrowings Not Applicable to the Company during the Audit Period)
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Audit Period)**; and

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit Period)**

I have also examined compliance with the applicable clauses of the following

- i. Secretarial Standards issued by The Institute of Company Secretaries of India
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder

I further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test -check basis the Company has complied with The Information Technology Act, 2000 and the rules made thereunder to the extent applicable during the Audit Period under review.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards made there under for all the above laws to the extent possible.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Regulations

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

			Signature.....
			Sarada Putcha
Date	:	05-09-2022	Practicing Company Secretary
Place	:	Hyderabad	ACS No. 21717
UDIN	:	A021717D000915621	CP No. 8735

This Report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To,
The Members,
CES LIMITED.
Seventh Floor, Tower- A, Ramky Selenium Building,
Plot No.31& 32, Nanakramguda, Gachibowli Hyderabad - 500032
Telangana, India.

1. My report of even date is to be read along with this letter.
2. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
3. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
6. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

			Signature.....
			Sarada Putcha
Date	:	05-09-2022	Practicing Company Secretary
Place	:	Hyderabad	ACS No. 21717
UDIN	:	A021717D000915621	CP No. 8735

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022
[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
CES Information Technologies Private Limited
North Wing- A Division, Fourth Floor, Tower- A
Ramky Selenium Building, Nanakramguda, Gachibowli
Hyderabad – 500032
Telangana, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CES Information Technologies Private Limited (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon

AUDITOR’S RESPONSIBILITY:

My responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. I have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards

UNMODIFIED OPINION:

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 (hereinafter called the ‘Audit Period’) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **(Not Applicable to the Company during the Audit Period)**
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment; (Overseas Direct Investment and External Commercial Borrowings Not Applicable to the Company during the Audit Period)
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company during the Audit Period)**
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable to the Company during the Audit Period)**
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable to the Company during the Audit Period)**

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Audit Period)**; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(Not Applicable to the Company during the Audit Period)**

I have also examined compliance with the applicable clauses of the following

- i. Secretarial Standards issued by The Institute of Company Secretaries of India; and
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder. **(Not Applicable to the Company during the Audit Period)**

I further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test -check basis the Company has complied with The Information Technology Act, 2000 and the rules made thereunder to the extent applicable during the Audit Period under review.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards made there under for all the above laws to the extent possible.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

			Signature.....
			Sarada Putcha
Date	:	24-05-2022	Practicing Company Secretary
Place	:	Hyderabad	ACS No. 21717
UDIN	:	A021717D000842801	CP No. 8735

This Report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To,
The Members,
CES Information Technologies Private Limited
North Wing- A Division , Fourth Floor, Tower- A
Ramky Selenium Building, Nanakramguda, Gachibowli
Hyderabad – 500032
Telangana, India

1. My report of even date is to be read along with this letter.
2. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
3. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
6. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

			Signature.....
			Sarada Putcha
Date	:	24-05-2022	Practicing Company Secretary
Place	:	Hyderabad	ACS No. 21717
UDIN	:	A021717D000842801	CP No. 8735

THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(a) INDIAN IT & ITES (BPM) INDUSTRY

According to National Association of Software and Service Companies (Nasscom), the Indian IT industry's revenue touched US\$ 227 billion in FY22, a 15.5% YoY growth. Gartner forecasts that India's IT expenditure would rise from an estimated US\$ 81.89 billion in 2021 to US\$ 101.8 billion in 2022.

According to a report published by Microsoft, consultancy firm Bain & Co, and industry body Internet and Mobile Association of India (IAMAI), India produces 16% of the entire world's AI talent pool – the third highest in the world.

In FY21, the Indian IT sector exported goods worth US\$ 149 billion. The largest contributor, accounting for more than 51% of all IT exports, has been the export of IT services (including hardware).

In FY22, the IT sector hired 4.45 lakh additional people, increasing the total number of workers to 50 lakh.

The computer software and hardware sector in India attracted cumulative foreign direct investment (FDI) inflows worth US\$ 85.51 billion between April 2000-March 2022.

PE investments in the IT sector were \$23.4 billion in 2021. In 2021, private enterprises in India's IT startup ecosystem got record investments totaling about US\$ 36 billion, up from US\$ 11 billion in 2020.

With regards to government initiatives, the government has introduced the STP Scheme, which is a 100% export-oriented scheme for the development and export of computer software, including export of professional services using communication links or physical media.



COMPANY OVERVIEW

A leading name in the Business Process Management (BPM) and IT Services space in India, CES Ltd. (CES) specializes in providing customer-oriented solutions in Financial Services, Healthcare and e-Commerce domains. Its strengths lie in building long-term customer relationships through alignment with customer's business goals, and offering world class, flexible and cost effective solutions. The Company is headquartered in Hyderabad, with presence across the globe through its state-of-the-art delivery centers and offices. Within India, the delivery centers are located in the IT hubs of Hyderabad, Chennai and Visakhapatnam. It also has near-shore presence through facilities in Europe, North America and the Middle East. IT-enabled Services or BPM solutions is the larger segment from a revenue standpoint, with majority of the services exported to United States. The Company has mastered the onsite, offsite and offshore delivery models, and can tailor its solutions as per customers' needs, and deliver to their satisfaction leveraging its proven, quality processes and skilled manpower. It has an established track record of delivering faster ROI for its customers in specific niches within various industries, such as:

- Asset Management space within the Financial Services industry
- EHR/EMR offerings and Consulting services to the Healthcare

FUTURE OUTLOOK

With a considerable impact on the GDP and welfare of the nation, the IT & BPM sector has emerged as one of India's most important economic drivers. In 2020, the IT sector contributed 8% of India's GDP, and by 2025, it is anticipated to make up 10% of India's GDP.

This push towards cloud services has boosted hyper-scale data centre investments, with global investments estimated to exceed US\$ 200 billion annually by 2025. India is expected to gain a significant share in the global market, with the country's investment expected to hit US\$ 5 billion annually by 2025.

OPPORTUNITIES

The constant focus on process improvement by automation and continuous benchmarking of delivery to improve focus, have resulted in customer satisfaction every time. Our customers stand testimony to our track record of providing outstanding customer experience and maximizing their Return on Investment. **Building Lasting Relationships** has always been our culture and that focus enables us to deliver enhanced business value, a culture that inspires our actions and is a part of our DNA.

We also aim to offer our services in the domestic market by positioning our services to suit the domestic business with its unique Services.

THREATS

CES Limited is in an industry where attrition is one of the major concern areas . However, your Company kept the attrition rates well within the industry averages by giving emphasis on benefits, rewards, and training.



DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

CONSOLIDATED

Our revenue for financial year 2021-22 for financial year 2021-22 is Rs. 40,063.58 Lacs and our consolidated profit after tax (PAT) is Rs. 3,557.63 Lacs.

STANDALONE

Our revenue for financial year 2021-22 is Rs. 17019.4 Lacs and our profit after tax (PAT) Rs. 1496.60 Lacs.

(b) Segment-wise.

SEGMENT WISE RESULTS (STANDALONE):

BUSINESS SEGMENTS:

(Amount in Lakhs)

Profit and Loss Statements for the year ended 31 st March 2022	IT Services	IT Enabled Services	Total
Revenues	5,735.77	10,929.39	16,665.17
Direct Expenses	2,528.27	4,817.56	7,345.82
Gross Income	3,207.51	6,111.83	9,319.34
Less: Un-allocated Expenses			7,647.86
Add: Interest & Other Income			354.31
Net Profit Before Taxes			2,025.79
Income Taxes			529.19
Net Profit After Taxes			1,496.60

GEOGRAPHICAL SEGMENTS:

(Amount in Lakhs)

Profit and Loss Statements for the year ended 31 st March 2022	USA	DOMESTIC	Total
Revenues	16,564.38	100.79	16,665.17
Direct Expenses	7,296.98	48.84	7,345.82
Gross Income	9,267.40	51.95	9,319.34
Less: Un-allocated Expenses			7,647.86
Add: Interest & Other Income			354.31
Net Profit Before Taxes			2,025.79
Income Taxes			529.19
Net Profit After Taxes			1,496.60

SEGMENT WISE RESULTS (CONSOLIDATED):

BUSINESS SEGMENTS:
(Amount In Lakhs)

Profit and Loss Statements for the year ended 31st March 2022	IT Services	IT Enabled Services	Total
Revenues	16,259.98	23,085.09	39,345.07
Direct Expenses	10,561.67	7,036.26	17,597.92
Gross Income	5,698.32	16,048.83	21,747.15
Less: Un-allocated Expenses			17,754.25
Add: Interest & Other Income			718.51
Net Profit Before Taxes			4,711.41
Income Taxes			1,153.78
Net Profit After Taxes			3,557.63

GEOGRAPHICAL SEGMENTS:
(Amount In Lakhs)

Profit and Loss Statements for the year ended 31st March 2022	USA	DOMESTIC	Total
Revenues	39,244.28	100.79	39,345.07
Direct Expenses	17,549.08	48.84	17,597.92
Gross Income	21,695.20	51.95	21,747.15
Less: Un-allocated Expenses			17,754.25
Add: Interest & Other Income			718.51
Net Profit Before Taxes			4,711.41
Income Taxes			1,153.78
Net Profit After Taxes			3,557.63

(c) Risks and concerns.
BUSINESS RISKS.

An economic slowdown or other factors may affect the economic health of the United States and other parts of the world where our revenues are concentrated

Financial stability of our clients may be affected owing to several factors such as demand and supply challenges, currency fluctuations, regulatory sanctions, geo-political conflicts and other macroeconomic conditions which may adversely impact our ability to recover fees for the services rendered to them.

Intense competition in the market for technology services could affect our win rates and pricing, which could reduce our market share and decrease our revenues and our profits.



INDIAN COMPLIANCE AND TAXATION RISK

Taxes and other levies imposed by the Government of India. In particular we will be affected by the taxes and laws levied by authorities such as a) Income Tax b) GST etc. We are taking adequate efforts to comply with the entire statutory requirement on an ongoing basis and the same is subject to Internal Audit on a quarterly basis. We also take the help of external consultants to handle specific issues as and when it arises.

Ministry of Corporate Affairs and Security Exchange Board of India has issue various circulars, Notification and amendments during the financial year 2021-22. Our Company has taken necessary steps to ensure Compliance of all the above.

EXCHANGE FLUCTUATION

Movements in exchange rates continue to be a threat. There has been volatility in the exchange rate between INR and USD in the recent years and these currencies may continue to fluctuate significantly in future as well. Also the increase in share of domestic revenue will mitigate this risk to an extent. Our results of operation will be affected if the rupee- dollar rates continues to behave in a volatile manner in future or rupee appreciates significantly against dollar and other currencies.

GEOGRAPHICAL CONCENTRATION OF CLIENTS

Our Company has a global footprint and the revenues are dependent on clients located predominantly in US. As a strategy we continue to focus on increasing the share of our Revenues from US as the margins are better compared to Domestic business. As a result the Company is exposed to various risks typically associated with doing business in various countries, many of which are beyond the control of the management.

INFRASTRUCTURE RISKS

The Company has invested substantially in the state of the art infrastructure and equipment in its centers to provide a world-class service to its customers. Service to our clients also depends on the uninterrupted functioning of these equipment, power and stability of telecom network. Any obsolescence in the infrastructure and equipment leading to incompatibility with client's systems or any disruption in the essential services may affect the business of the company. Adequate backups and redundancy measures are in place for uninterrupted functioning of IT and telecom equipment. AMC of all equipment is being monitored for timely renewals wherever needed. Insurance for fixed assets and all office locations is in force and is monitored for timely renewals and adequacy of risks covered under Office package policy.

HUMAN RESOURCES RISK

ITES (BPM) industry is a labor intensive industry and the Company's success depends on its ability to retain key employees. Historically employee attrition has been a common feature in this Industry.

However, your Company kept the attrition rates well within the industry averages by giving emphasis on benefits, rewards, and training.

a) Internal control systems and their adequacy:

CES Limited (CES) has adequate internal controls and checks in place for its operations across all locations. The internal control systems are robustly designed keeping future requirements and needs also in focus. The management systems being followed at CES comply with international standards.

DETAILS OF KEY FINANCIAL RATIOS

Additional Regulatory Information Financial Year 2021-22					
Ratios	Numerator	Denominator	Current year	Previous year	Variance (in %)
Current ratio (in times)	Total current assets	Total current liabilities	2.16	1.62	33.17
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities*	Total Equity	N.A	N.A	-
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments*	N. A	N. A	-
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	19.47%	4.06%	15.40
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	5.51	5.30	3.81
Trade payables turnover ratio (in times)	Purchase of Services and other expenses	Average trade payables	27.95	33.29	(16.03)
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	5.38	6.80	(20.94)
Net profit ratio (in %)	Profit for the year	Revenue from operations	9%	2%	7.00
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Tangible Net worth + Lease liabilities + Deferred tax liabilities	24.11%	9.51%	14.60
Return on investment (in %) -Unquoted	Income generated from invested funds	Average invested funds in treasury investments	180%	194%	(14.00)

* The Company doesn't have any borrowings and Lease Liabilities



DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF.”

There has been a marginal increase in Return on Net worth when compared with previous return on Net worth.

For and on behalf of the Board of Directors of
M/s. **CES Limited**

Date	:	05/09/2022	Mohan Rao Kancharla	Rama Krishna Sabbineni
Place	:	Hyderabad	DIN: 00004288	DIN: 01825682
			Whole- Time Director	Director

CORPORATE GOVERNANCE REPORT

1 A BRIEF STATEMENT ON LISTED ENTITY'S PHILOSOPHY ON CODE OF GOVERNANCE.

The Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all its transactions with its stakeholders, including its employees, customers, shareholders, suppliers, partners and alliances, supporting agencies, Government, and society at large.

The Management aims to achieve its objective of increasing stakeholders' value while consistently observing the norms laid down in the Code of Corporate Governance. The Management has institutionalized Corporate Governance at all levels within the Company in order to ensure transparency, good practices and a systems-driven style of functioning.

The overall responsibility for guiding Corporate Governance within the Company rests with the Board of Directors ('the Board'), which has put in place appropriate policies, guidelines and processes. The day-to-day implementation and monitoring of these policies, guidelines and processes rest with the management of the Company, and are in consonance with the requirements of the Companies Act, 2013, and applicable SEBI Regulations including SEBI (LODR). Keeping in view the Company's size, complexity, global operations and corporate traditions.

CES Limited has adopted the following main principles and philosophies:

- Constitution of the Board of the Company and Committees of Directors of appropriate composition, Size and expertise.
- Complete transparency in the operations of the Company.
- Maintaining prescribed levels of disclosure and complete openness in communication.
- Independent verification and safeguarding integrity of the Company's financial reporting.
- A sound system of risk management and internal control.
- Timely and balanced disclosure of all material information concerning the Company to its stakeholders.
- A system to ensure compliance with applicable laws of all countries in which the Company operates.

- Maintenance of high standards of safety and health.
- Adherence to good governance practices in spirit and not just in letter

2 BOARD OF DIRECTORS:

(a) Composition and category of Directors

(i) Non-Executive Directors:	
(a) Promoter Group	Mr. Sai Krishna Kancharla
	Mr. Rama Krishna Sabbineni (Alternate Director for Mr. Venkat Davarapalli)
(b) Independent	Mr. Duruvasan R
	Mr. Murali Krishna Tummala
(c) Executive Director:	Mr. Mohana Rao Kancharla
(d) Women Director	Mrs. Aruna Krishna Sabbineni

Disclosure of relationships between directors inter-se;

Mr. Rama Krishna Sabbineni and Mrs. Aruna Krishna Sabbineni are husband and wife respectively.

Mr. Sai Krishna Kancharla is the nephew of Shri. Mohana Rao Kancharla, Whole time director of the Company.

(b) Director and Directors Attendance at Board Meeting and AGM

Name of the Director	s Board meetings held	Number of Board Meetings Attended	Whether attended last AGM	Number of Memberships of other Boards as on 31 st March, 2022	Number of Memberships of other Board Committees*	Number of Chairmanships in other Board Committees*	No of directorship in other listed company
Mr. Sai Krishna Kancharla	7	1	N	-	-	-	-
Mr. Mohana Rao Kancharla	7	7	Y	8	-	-	-
Mr. Duruvasan Ramachandra	7	7	Y	3	-	-	1
Mrs. Aruna Krishna Sabbineni	7	1	N	5	-	-	-
Mr. Murali Krishna Tummala	7	7	Y	4	-	-	-
Mr. Venkat Davapalli (Mr. Rama Krishna Sabbineni is alternate Director)	7	4	Y	2	-	-	-

Date of the Board Meeting	Board Strength	No. of Directors present/ required to Present
28-05-2021	6	3
30-06-2021	6	4
13-08-2021	6	3
03-09-2021	6	3
29-09-2021	6	4
13-11-2021	6	5
14-02-2022	6	4

Board confirms that Independent Directors are independent and fulfill all the conditions specified In SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Companies Act 2013.

NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS

Shri Venkat Davaraparalli has 88,38,200 equity shares held in promoter category.

Board of Directors	Industry expertise (IT & Enable services)	Sales, Marketing and Market Strategy	Executive leadership and Board experience	Strategy & Risk Management	Corporate Governance	Expertise in financial matters	Health, safety, environment and sustainability	M&A/ Capital Markets
Tummala Muralirishna		✓		✓	✓	✓	✓	✓
Duruvasan Ramachandra				✓		✓		
Mohana Rao	✓	✓	✓	✓	✓	✓	✓	✓

Kancharla								
Venkateshwara Rao Davarapalli	✓	✓	✓	✓	✓			
Rama Krishna Sabbineni			✓	✓	✓	✓	✓	
Aruna Krishna Sabbineni				✓	✓		✓	
Sai Krishna Kancharla	✓	✓	✓	✓	✓			

Note:

1. Mr. Rama Krishna Sabbineni is Alternate Director for Venkateswara Davarpalli Rao.

3 AUDIT COMMITTEE:
Terms of reference:

The terms of reference of Audit Committee encompass the requirements of Section 177 of Companies Act, 2013 and Regulation 18 of SEBI LODR (Regulations) 2015.

The terms of reference inter-alia includes:

- 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.
- Recommending to the Board, the appointment and removal of external auditor and fixation of audit fees and also approval of payment for any other services.
- Reviewing, with the management, the annual financial statements before submission to the Board focusing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.

- Compliance with stock exchange and other legal requirements relating to financial statements.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing 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.
- Discussion with internal auditors any significant findings and follow up thereon.
- Reviewing 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.
- Discussion with external auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To Review in Company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to depositors, debenture holders.

Composition of the Audit Committee as on March 31, 2022:

Name	Designation
Mr. Murali Krishna Tummala(1889806)	Chairman
Mr. Duruvasan R(00223052)	Member
Mr. Rama Krishna Sabbineni (00052308)	Member

#The Audit Committee consists of two Independent Directors as members.

Meetings and Attendance:

Four Audit Committee Meetings were held during the year ended 31st March, 2022. The maximum time gap between any of the two meetings was not more than four months.

Audit Committee Meetings held during the year 2021-22 and attendance details:

Date of the Meeting	Committee Strength	No. of Directors present
30-06-2021	3	3
13-08-2021	3	2
13-11-2021	3	3
14-02-2022	3	3

#Company Secretary of the Company is the Secretary to the Committee.

The Statutory Auditors of the Company were invited to join the Audit Committee in the meetings for discussing the financial results, financial statements and the Annual/Audited Accounts before placing it to the Board of Directors.

4 NOMINATION & REMUNERATION COMMITTEE

The terms of reference of Nomination & Remuneration Committee encompass the requirements of Section 178 of Companies Act, 2013 and Regulation 18 of SEBI LODR (Regulations) 2015.

The key role of this Committee is as follows:

- Provide oversight on Strategic Human Capital issues.
- For the position of Whole -Time Director and other Directors and their engagement terms to the Board.
- Evaluate and approve for appointment candidates recommended by Whole -Time Director for key senior positions.
- Review the Succession Plan for Critical Positions and suggest actions.
- Have the responsibility for setting the remuneration for the Whole Time Directors. Review and take into notice remuneration for the direct reports of the Whole -Time Director. Remuneration in this context will include salary, and performance based variable component and any compensation payments, such as retiring benefits or stock options.

**Mandate, Role and Responsibilities of the Nomination and Remuneration Committee:**

As specified under the Companies Act 2013, Rules under the Companies Act 2013, Regulation 18 of SEBI LODR (Regulations) 2015 and regulatory requirements that may come into force from time to time; and as may be mandated by the Board of Directors from time to time.

Composition of the Nomination and Remuneration Committee as on March 31, 2022:

Name	Designation
Mr. Duruvasan Ramachandra (00223052)	Chairman
Mr. Murali Krishna Tummala (1889806)	Member
Mr. Rama Krishna Sabbineni (00052308)	Member

Meetings and Attendance

Date of the Meeting	Committee Strength	No. of Directors present
29-09-2021	3	3

2. REMUNERATION OF DIRECTORS:

- i. **Criteria of making payments to non-executive directors. alternatively, this may be disseminated on the listed entity's website and reference drawn thereto in the annual report;**

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors. The said criteria are accordingly derived from the adopted Charter.

- The Non-Executive Independent Directors receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

- A Non-Executive Independent Director receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
 - A Non-Executive Director may also receive commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the N&R Committee;
 - In determining the quantum of commission payable to the Directors, the N&R Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director. The total commission payable to the Directors shall not exceed 1% of the net profit of the Company in any case.
- ii. **Disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013, the following disclosures shall be made:**

FOR WHOLE TIME DIRECTOR

The total remuneration pursuant to shareholders approval consists of:

A fixed component – consisting of salary and perquisites

(Rs. in Lakhs)

Particulars	Whole time Director
Salaries	18.81
Commission	-
Contribution to Provident Fund and Superannuation Fund	-
Benefits	-
Total	18.81

6. STAKEHOLDERS' GRIEVANCE COMMITTEE:

S. No.	Particulars	Details
1	Name of the Non-Executive Director heading the Committee	Shri Tummala Murali Krishna
2	Name and Designation of Compliance officer	Suraj Kumar Garg
3	Number of shareholders' complaints received so far	Nil
4	Number not solved to the satisfaction of shareholders	NA
5	Number of pending complaints.	Nil

7. GENERAL BODY MEETINGS:

(a) Location and time, where last three annual general meetings held;

Financial Year	Location of AGM	Date & Time of AGM
2020-21	Seventh Floor Ramky Selenium, Nanakramguda, Gachibowli, Hyderabad-500032 (Via audion visual means)	30 th September, 2021 at 4.00 PM
2019-20	Seventh Floor Ramky Selenium, Nanakramguda, Gachibowli, Hyderabad-500032	30 th December,2020 at 4 :00 PM
2018-19	Seventh Floor Ramky Selenium, Nanakramguda, Gachibowli, Hyderabad-500032	30 th September, 2019 at 4 :00 PM

(b) Whether any special resolutions passed in the previous three Annual General Meetings;

Financial Year	Special resolutions Passed at Previous AGM
2019-20 30.12.2020	1. To re-appoint Mr. Tummala Murali Krishna (01889806) as independent director
2018-19 30.09.2019	1. To Appoint Shri Mohan Rao Kancharla (00004288) as Whole-Time Director of the Company. 2. To Re- Appoint Shri Duruvasan R (00223052) as Independent Director .

(c) whether any special resolution passed last year through postal ballot – details of voting pattern;

No Such Resolution passed through postal Ballot.

(d) Person who conducted the postal ballot exercise;

Not Applicable

(e) whether any special resolution is proposed to be conducted through postal ballot;

Not Applicable

(f) Procedure for postal ballot.

Not Applicable

8. MEANS OF COMMUNICATION:

(g) Financial Results tentative dates for year 2022-23

13.08.2022, 14.11.2022, 14.02.2023 and 30.05.2023

(h) Newspapers wherein results normally published;

The quarterly unaudited results and annual audited results are published in Financial Express and in the local newspaper Nava Telangana and are displayed on the website of the Company.



(i) Website, where displayed;

The Company Updates it's the entire official, Business and Investor related information on www.cesltd.com

(j) Whether it also displays official news releases;

It also displays official information on cesltd.com

(k) Presentations made to institutional investors or to the analysts.

The Company has not made any Investor related presentation in the 2021-22.

9. GENERAL SHAREHOLDER INFORMATION:

(l) Annual general meeting - Date, Time and Venue;

Annual general meeting to be held on 30.09.2022 at 4: 00 pm at Registered office of the Company at 7th Floor, Tower-A., Ramky Selenium, Nanakramguda, Gachibowli, Hyderabad – 500032 (Through audio Visual means).

(m) Financial year;

2021-22

(n) The Name and Address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);

The Company is listed on the below Stock Exchange;

1. Bombay Stock Exchange

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.

We hereby do confirm that we had paid the Annual Listing fees for Bombay Stock Exchange.

(o) Stock code;

Stock code for Bombay Stock Exchange: 512341



(p) Market price data- high, low during each month in last financial year;

S. No	Month 2021-22	High	Low
1	April	0.30	0.30
2	May	0.30	0.30
3	June	0.30	0.30
4	July	0.30	0.30
5	August	0.30	0.30
6	September	0.30	0.30
7	October	0.30	0.30
8	November	0.30	0.30
9	December	0.30	0.31
10	January	0.31	0.37
11	February	0.37	0.38
12	March	0.38	0.38

(q) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc;

Shareholders are optimist about the future of the Company and therefore they retain shares with them.

Registrar to an issue and share transfer agents;

Aarthi Consultants Private Limited
1-2-285, Domalguda,
Hyderabad- 500029

ISIN for the Equity Shares: INE396F01013

(r) Share transfer system; These are taken care by RTA of the Company



(s) Distribution of shareholding;

Distribution of Shareholding as on 31st March, 2022:

SI No	Category	No of shareholders	Holders %	Shares	Amount	%
1	1 - 5000	2	7.69%	280	2800	0.001%
2	50001 - 100000	-	-	-		
3	100001 & Above	24	92.31%	36399720	363997200	99.999%

(t) Demat and Physical Shares;

SL.NO.	PARTICULARS	NO OF SHARES	% OF TOTAL ISSUED CAPITAL
1	Issued Capital	36400000	100
2	Listed Capital	36400000	100
3	Held in Dematerialized form in CDSL	7676060	21.08808
4	Held in Dematerialized form in NDSL	26579140	73.01961
5	Physical	2144800	5.89231
6	Total no. of Shares	36400000	100

(u) Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity;

The Company do not have any such Securities.

(v) Commodity price risk or foreign exchange risk and hedging activities;

Not applicable.

(w) Office Locations

INDIA: REGISTERED OFFICE: 7th Floor, Tower-A Ramky Selenium, Nanakramguda Gachibowli, Hyderabad-500081. Tel No. (91) 40- 42421122, Fax: (91) 40- 40102456



CHENNAI

151, Village Road,
Nungambakkam,
Chennai-600034
Tel No. (91) 44- 42326666
Fax: (91) 44- 52146551

Sipcot 8 A, 14 4th
Main Road Sipcot IT park
Siruseri, Chennai- 60310
Tel No. (91) 44 45114302
Fax: (91) 44 45114305

SSPDL Alpha City
First Floor Beta Block No.25,
Rajiv Gandhi Salai, Navalur,
Chennai- 603103

USA

DETROIT

100 W. Kirby St, Suite # 105
Detroit, MI 48202.
Tel No. (313) 887 0832
Fax (313) 887 9452

CHICAGO

235 Remington Blvd Suite # H
Bolingbrook, IL 60440
Tel No. (630) 2968939
Fax: (630) 296 8940

DALLAS

5550 Granite Parkway,
Suite # 120, Plano
TX 75024
Tel No. (214) 677 9234
(214) 677 9300

CANADA

WINDSOR

2679 Howard Avenue
Suite # 524
Windsor, ON NBX 3x2
Tel No. (416) 362 6500
Fax: (416) 362 4855

UAE

DUBAI

SAB Tech Building
First Floor 318th Road, AL Quoz 3
Dubai, UAE
Tel: (971) 4347 5380
Fax: (971) 4347 5379

VISHAKHAPATNAM

Plot No. 8, ITES & ITES SEZ,
Rishikonda Hill No.2
Mahuravada, Vishakhapatnam

Geographical Locations



10. OTHER DISCLOSURES:

- (a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;

No Such instance

- (b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

No Such Penalty was imposed on Company

- (c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;

In terms of the requirements of the Companies Act 2013 and SEBI LODR (Regulations) 2015, the Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The Audit Committee reviews the functioning of the vigil/whistle blower mechanism from time to time. There were no allegations/disclosures/concerns received during the year under review in terms of the vigil mechanism established by the Company.

- (d) web link for material subsidiary: <https://www.cesltd.com>
- (e) Web link for related party transactions: <https://www.cesltd.com>
- (f) Disclosure of commodity price risks and commodity hedging activities: NA
- (g) During the year the company has not raised any funds through preferential allotment or QIP as specified under Regulation 32 (7A) of listing Regulations.
- (h) Certificate under Schedule V(C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements), 2015 as per Annexure-IV
- (i) Details of fees paid by the company and its subsidiaries, on consolidated basis, to the statutory auditor and to all entities in the network firm/network entity of which the statutory auditor is a part is as under:

Type of Service	CES Limited	
	2021-22	2020-2021
Audit Fee	2,00,000/-	2,00,000/-
Tax Audit Fee	1,00,000/-	1,00,000/-
Others	-	-
Total	3,00,000/-	3,00,000/-

- (J) Discretionary requirements as specified in Part E of Schedule II have been adopted

(i). The Board

The chairperson's office of the Company is being held by a non-executive director at the company's expense and is allowed reimbursement of expenses incurred in performance of his duties.

(ii). Shareholder Rights

The company discloses all event based disclosures to its shareholder from time to time, therefore there is no requirement for separate summary of the significant events in last six-months

(iii). Modified opinion(s) in audit report

There is no modification of opinion by the auditors

(iv). Separate posts of chairperson and chief executive officer

The company has only chairman and no chief executive officer

(v). Reporting of internal auditor

The internal auditor reports directly to the audit committee

(k) Non-compliance of any requirement of corporate governance report of above, with reasons thereof shall be disclosed.

There is no such instance

(L) The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 is done and accordingly annual corporate governance 2021-2022 ,submitted to stock exchange.

(M) Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed

There is no such instance



Annual Report 2021-22

For and on behalf of the Board of Directors of
M/s. CES Limited

Date	:	05/09/2022	Mohan Rao Kancharla	Rama Krishna Sabbineni
Place	:	Hyderabad	DIN: 00004288	DIN: 01825682
			Whole- Time Director	Director



Disclosures with respect to demat suspense account/ unclaimed suspense account

The listed entity shall disclose the following details in its Annual Report, as long as there are shares in the demat suspense account or unclaimed suspense account, as applicable:

- (a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;

Nil

- (b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;

Nil

- (c) Number of shareholders to whom shares were transferred from suspense account during the year;

Nil

- (d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;

Nil

- (e) That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Nil

A certificate from the company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority has been enclosed separately to this report.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. number of complaints filed during the financial year : Nil

b. number of complaints disposed of during the financial year : NA

c. number of complaints pending as on end of the financial year : Nil

For and on behalf of the Board of Directors of
M/s. CES Limited

Date	:	05/09/2022	Mohan Rao Kancharla	Rama Krishna Sabbineni
Place	:	Hyderabad	DIN: 00004288	DIN: 01825682
			Whole- Time Director	Director

CORPORATE SOCIAL RESPONSIBILITY (CSR)

1. Composition of CSR Committee

Name	Designation / Category
Mr. Murali Krishna Tummala (01889806)	Chairman (Independent Director)
Mr. Rama Krishna Sebbineni (01825682)	Member (Non- Executive Director)
Mr. Mohana Rao Kancharla (00004288)	Executive Director

2. Average Profit before Tax for last 3 Financial Years.

Financial Years	Year
Net profit before tax for FY 2020-21	INR 6,93,72,485/-
Net profit before tax for FY 2019-20	INR 11,07,47,704/-
Net profit before tax for FY 2018-19	INR 8,29,35,702/-
Average of previous three years	INR 17,53,705/-

4. CSR Expenditure: Rs. 18,43,150.00/-

5. Details of CSR Spend during the financial year 2021-22

During the financial year 201-2022 CES Limited transferred Rs. 17,53,705/- to CES Foundation and spent Rs. 89,445 directly towards CSR activities.

6 Amount if any not spent: Nil



Annual Report 2021-22

For and on behalf of the Board of Directors of
M/s. CES Limited

Date	:	05/09/2022	Mohan Rao Kancharla	Rama Krishna Sabbineni
Place	:	Hyderabad	DIN: 00004288	DIN: 01825682
			Whole- Time Director	Director



DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down Code of Conduct for all Board Members and senior management personnel of the Company. The code of conduct has also been posted on the website of the Company. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31st March, 2022 as envisaged in SEBI LODR (Regulations) 2015 with stock exchanges.

For and on behalf of the Board of Directors of
M/s. CES Limited

Date	:	05/09/2022	Mohan Rao Kancharla	Rama Krishna Sabbineni
Place	:	Hyderabad	DIN: 00004288	DIN: 01825682
			Whole- Time Director	Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34(3) and Schedule V Para C clause 10(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members,
CES LIMITED.
Seventh Floor, Tower- A, Ramky Selenium Building,
Plot No.31& 32, Nanakramguda, Gachibowli Hyderabad - 500032
Telangana, India.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of CES Limited having CIN (Corporate Identification Number) L55100TG1985PLC045963 and having registered office at Seventh Floor, Tower- A, Ramky Selenium Building, Plot No.31& 32, Nanakramguda, Gachibowli Hyderabad – 500032, Telangana, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

In my opinion and to the best of my information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below (in the table) for the financial year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

SI. No	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT IN COMPANY*
1.	Mohana Rao Kancharla	00004288	29-July-2005
2.	Venkateswara Rao Davarapalli	00028498	29-July-2005
3.	Duruvasan Ramachandra	00223052	29-Sep-2006
4.	Rama Krishna Sabbineni	01825682	26-Oct-2015
5.	Tummala Muralikrishna	01889806	31-Dec-2014
6.	Aruna Krishna Sabbineni	06997005	24-March-2015
7.	Sai Krishna Kancharla	07775575	03-July-2017

*Date of appointment of all the Directors are original date of appointment as per MCA record

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

			Signature.....
			Sarada Putcha
Date	:	05-09-2022	Practicing Company Secretary
Place	:	Hyderabad	ACS No. 21717
UDIN	:	A021717D000915687	CP No. 8735

WHOLE TIME DIRECTOR/CFO CERTIFICATION PURSUANT TO REGULATION 17(8) OF SEBI (LODR) REGULATIONS, 2015

DECLARATION SIGNED BY THE WHOLE-TIME DIRECTOR STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

To,
The Board of Directors
CES Limited

I, Mohana Rao Kancharla, Whole Time Director and Srinivas Raju Kucherlapati, Chief Financial Officer, to the best of our knowledge and belief, certify that:

1) We have reviewed financial statements and cash flow statements for the year ended March 31, 2022 and that to the best of our knowledge and belief:

a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or which violate the Company's code of conduct.

3) We are responsible for establishing and maintaining internal controls for financial reporting and we have:

a) Evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting;

b) Disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware; and

c) The steps we have taken or propose to take to rectify these deficiencies

4) We have indicated to the Company's Auditors and the Audit Committee of the Board of Directors:

a) Significant changes that have occurred in the internal control over financial reporting during the year;

b) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and

c) Instances of significant fraud, if any, of which we are aware and the involvement therein of the management or an Employee having a significant role in the Company's internal control system over financial reporting;

d) All deficiencies, if any, in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data, and have identified for the Company's Auditors, any material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.

For **CES Limited**

Mohana Rao Kancharla
Whole Time Director

Srinivas Raju Kucherlapati
Chief Financial Officer

Date: 30-05-2022

Place: Hyderabad

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members

CES Limited

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with terms of our engagement with CES Limited ('the Company')
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31 2022, as stipulated in Regulations 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENT'S RESPONSIBILITY

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

AUDITOR'S RESPONSIBILITY

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on compliance with Corporate Governance requirements by the Company
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI

OPINION

7. Based on our examination of the relevant records and according to the information and explanation provided to us and the representations provided by the Management, we certify that the Company has complied with conditions of Corporate Governance as stipulated in Regulations 15(2) of the Listing Regulations during the year ended March 31, 2022.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company

For P C N & Associates
Chartered Accountants
Firm Regn. No: 016016S

K Gopala Krishna
Partner
M.No. 203605

Place : Hyderabad
Date : 5th September, 2022

UDIN: 22203605AQXLEZ9964

INDEPENDENT AUDITOR'S REPORT

To the Members of M/S CES LIMITED

Report on the Ind AS Standalone Financial Statements

Opinion

We have audited the accompanying Ind AS Standalone Financial Statements of **CES LIMITED**("the company"), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2022, Profit, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) 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 Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit Procedures that is appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists; we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A , a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued there under.
- e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have pending litigations on its financial position in its standalone financial statements.
 - ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - v. The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate

Beneficiaries”) by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- vi. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- vii. The company has not declared or paid any dividend during the year.

For P C N & Associates.,
Chartered Accountants
FRN: 016016S

K. Gopala Krishna
Partner
M.No. 203605
UDIN No: 22203605AKGQMA6076

Place: Hyderabad
Date:30-05-2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Annexure referred to in Independent Auditors Report to the Members of M/s. CES LIMITED on the Ind AS Financial Statements for the year ended 31st March 2022, we report that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant & Equipment.

(B) The company has maintained proper records showing full particulars of intangible assets.

(b) As explained to us, Property Plant and Equipment have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of records, the company has not revalued the Property Plant and Equipment or intangible assets during the period under review.

(e) As per the information provided by the management, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988.

- ii. A) The Company doesn't hold any inventory.

B) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets.

- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

- iv. The Company has not granted any loans or made any Investments, or provided any guarantee or security to the parties covered under section 185 and 186 of the Act.

- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.
- vi. The cost records as specified under sec 148(1) of the Companies Act 2013, is not prescribed to the company.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax and other material statutory dues, as applicable, with the appropriate authorities in India
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax and other material statutory dues in arrears as at 31st March 2022 for a period of more than 6 months from the date they became payable.
- (c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of income tax, Goods and Service Tax and customs duty which have not been deposited with appropriate authorities on account any dispute. Except the Following:

Name of the statute	Nature of dues	Amount (Rs.)*	Period to which amount relates (Financial Year)	Forum where dispute is Pending
Income Tax Act, 1961	Income Tax	30,40,050	2015-16	Income Tax Appellate Tribunal, Hyderabad

* Amount shown in parenthesis represents paid under protest

- viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company does not have any transactions which are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act.
- ix. a) The Company doesn't have any loans & borrowings.

b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not taken term loans during the year.

d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

x. (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

xi. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our Audit.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting standard (Ind AS) 24, related party disclosures specified under section 133 of the Act, read with relevant rules issued there under.

xiv. (a) In our opinion the company has an adequate internal audit system which commensurate with the size and nature of its business.

(b) The reports of the Internal Auditors for the period under audit were duly considered by us in determining the nature, timing and extent of our audit procedures.

xv. The Company has not entered into non-cash transactions with its directors or persons connected with him.

- xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934.
- xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, based on our knowledge of the Board of Directors' and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet.
- xx. In our opinion and according to the information and explanations given to us, in respect of other than ongoing projects, there are no unspent amounts to be transferred to a fund specified under sec 135 of Companies Act 2013,
- xxi. In our opinion and according to the information and explanations given to us, there have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

For P C N & Associates.
Chartered Accountants
FRN: 016016S

K Gopala Krishna
Partner
M.No. 203605
UDIN No: 22203605AKGQMA6076

Place: Hyderabad
Date: 30-05-2022

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

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

We have audited the internal financial controls over financial reporting of CES LIMITED (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P C N & Associates.
Chartered Accountants
FRN: 016016S

K Gopala Krishna
Partner
M.No. 203605
UDIN No: 22203605AKGQMA6076

Place: Hyderabad
Date: 30-05-2022

CES LIMITED

Standalone Balance Sheet as at 31st March, 2022

Particulars	Note No	As on 31-03-2022	As on 31-03-2021
		(In Lakhs)	(In Lakhs)
ASSETS:			
1 Non-Current Assets:			
(a) Property, Plant and Equipment and Intangible Assets			
(i) Property, Plant and Equipment	1	3,893.28	4,141.97
(ii) Capital Work-in-progress		34.29	33.71
(iii) Goodwill		57.35	85.99
(b) Investments	2	1,004.39	1,004.39
(c) Other Non Current Assets	3	497.09	523.71
2 Current Assets:			
(a) Financial Assets:			
(i) Trade Receivables	4	3,097.91	2,955.67
(ii) Cash and Cash Equivalents	5	3,445.96	1,945.37
(iii) Loans	6	909.87	676.11
(b) Other Current Assets	7	86.25	19.42
Total		13,026.39	11,386.34
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	8	3,640.00	3,640.00
(b) Other Equity	9	4,555.52	3,540.36
Liabilities			
2 Non-Current Liabilities			
(a) Financial Liabilities:			
(i) Borrowings	10	-	-
(b) Provisions	11	1,077.23	547.24
(c) Deferred Tax Liabilities (Net)	12	264.64	210.09
3 Current Liabilities			
(a) Financial Liabilities:			
(i) Trade Payables	13	1,535.58	133.86
(b) Other Current Liabilities	14	1,273.97	3,057.10
(c) Provisions	15	679.45	257.70
Total		13,026.39	11,386.34

Summary of Significant Accounting Policies

The accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

For P C N & Associates,
Chartered Accountants
Firm Regn. No: 016016S

For and on behalf of the Board
CES Limited

K Gopala Krishna
Partner
M.No. 203605

Mohana Rao Kancharla
Director

Rama Krishna S
Director

Place : Hyderabad
Date : 30th May, 2022

Srinivasa Raju Kucherlapati
Chief Financial Officer

Suraj Kumar Garg
Company Secretary

CES LIMITED

Standalone Statement of Profit and Loss for the Year ended 31st March, 2022

Particulars	Note No	Year Ended 31-03-2022	Year Ended 31-03-2021
		(In Lakhs)	(In Lakhs)
I. Revenue from Operations	16	16,665.17	12,684.48
II. Other Income	17	354.31	527.29
III. Total Income (I +II)		17,019.47	13,211.76
<u>IV. Expenses:</u>			
Employee Benefits expense	18	7,345.82	6,244.91
Finance costs	19	-	0.84
Depreciation and Amortization Expense	1	295.06	297.71
Other Expenses	20	7,352.79	5,974.57
IV. Total Expenses		14,993.68	12,518.04
V. Profit/(Loss) before exceptional items and tax (III - IV)		2,025.79	693.72
VI. Exceptional Items		-	-
VII. Profit/(Loss) before tax (V-VI)		2,025.79	693.72
VIII. Tax expense:	21		
(i) Current tax		476.35	320.74
(ii) Deferred tax		52.84	84.50
IX. Profit/(Loss) for the Year Ended from continuing operations (VII-VIII)		1,496.60	288.48
X. Other Comprehensive Income.			
A. Items that will not be reclassified to Profit or Loss			
(i) Exchange gain/(loss) on foreign currency transactions		(7.54)	-
(ii) Actuarial gain/(loss) on defined benefit plans recognised in accordance with Ind AS 19.		(473.90)	(124.22)
Total Comprehensive Income for the Year Ended		1,015.16	164.26
XI. Earnings per equity share (for continuing operation):			
(1) Basic		4.11	0.79
(2) Diluted		4.11	0.79

Summary of Significant Accounting Policies

The accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

For P C N & Associates,
Chartered Accountants
Firm Regn. No: 0160165

For and on behalf of the Board
CES Limited

K Gopala Krishna
Partner
M.No. 203605

Mohana Rao Kancharla
Director

Rama Krishna S
Director

Place : Hyderabad
Date : 30th May,2022

Srinivasa Raju Kucherlapati
Chief Financial Officer

Suraj Garg
Company Secretary

CES LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
	In Lakhs	In Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary items	2,025.79	693.72
Adjustments for:		
Interest	-	0.84
Depreciation	295.06	297.71
Comprehensive income for the year	(481.44)	(124.22)
Operating Profit before working capital changes	1,839	868.06
Adjustments for:		
Trade and other receivables	(142.24)	(1,135.11)
Short Term Loans and Advances	(233.76)	448.02
Other Current Liabilities	(1,783.13)	1,038.22
Short Term provisions	421.75	(135.85)
Trade payables	1,401.73	(91.27)
Other Current assets	(66.84)	312.02
Cash generated from operations	1,436.93	1,304.10
Direct taxes	(474.64)	(320.74)
Cash flow before extraordinary items	962.28	983.36
Extraordinary items		
NET CASH FLOW FROM OPERATING ACTIVITIES	962.28	983.36
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(18.31)	(26.00)
Proceeds from other financial assets	26.62	(64.85)
Proceeds from Loan	-	-
Investment in Non-Current Investments	-	-
Net Cash Used In Investing Activities	8.31	(90.85)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest paid	-	(0.84)
Long Term Liabilities	-	-
Long Term Provisions	529.99	212.42
Long Term Loans and Other Financial Assets	-	-
Net Cash Flow From Financing Activities	529.99	211.57
NET INCREASE\ (DECREASE) IN CASH AND CASH EQUIVALENTS	1,500.58	1,104.08
Cash and Cash equivalents (Opening Balance)	1,945.37	841.29
Cash and Cash equivalents (Closing Balance)	3,445.96	1,945.37

AS PER OUR REPORT OF EVEN DATE

**For P C N & Associates,
Chartered Accountants
Firm Regn. No: 016016S**

**For and on behalf of the Board
CES Limited**

**K Gopala Krishna
Partner
M.No:203605**

**Mohana Rao K
Director**

**Rama Krishna S
Director**

**Place : Hyderabad.
Date : 30th May,2022**

**Srinivasa Raju K
C.F.O**

**Suraj Garg
Company Secretary**

CES LIMITED

Standalone Statement of Changes in Equity for the Year Ended 31st March, 2022

Particulars	Reserves & Surplus				Other Comprehensive Income	Total Equity attributable to equity holders of the company
	Equity Share Capital	Retained Earnings	General Reserve	Capital Reserve		
Balance as at 01-04-2020	3,640.00	2,259.32	456.88	870.00	(210.10)	7,016.10
Profit for the Year Ended	-	288.48	-	-	-	288.48
Remeasurement of Net defined benefit Liability/ Asset	-	-	-	-	(124.22)	(124.22)
Exchange gain/(Loss) on foreign currency transactions	-	-	-	-	-	-
Balance as at 31-03-2021	3,640.00	2,547.80	456.88	870.00	(334.33)	7,180.36
Profit for the Year Ended	-	1,496.60	-	-	-	1,496.60
Remeasurement of Net defined benefit Liability/ Asset	-	-	-	-	(473.90)	(473.90)
Exchange gain/(Loss) on foreign currency transactions	-	-	-	-	(7.54)	(7.54)
Balance as at 31-03-2022	3,640.00	4,044.40	456.88	870.00	(815.77)	8,195.52

CES LIMITED

NOTE NO. 1 : PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS AS AT 31-03-2022

In Lakhs

Sl. No.	Particulars	Gross Block				Depreciation/Amortization				Net Block as on 31.03.2022	Net Block as on 31.03.2021
		As on 01.04.2021	Additions during the Year	Deletions during the Year	As on 31.03.2022	Dep. As on 01.04.2021	Depre. on Deletions	Dep. For the Year	Total Depreciation		
	PROPERTY, PLANT AND EQUIPMENT:										
1	BUILDINGS (HYDERABAD)	2,534.24	-	-	2,534.24	220.86	-	65.36	286.22	2,248.02	2,313.38
2	COMPUTERS & SOFTWARE	1,039.41	15.92	-	1,055.33	1,008.86	-	25.55	1,034.42	20.91	30.55
3	OFFICE EQUIPMENT	670.93	1.81	-	672.74	506.94	-	82.36	589.30	83.44	163.99
4	FURNITURE AND FIXTURES	789.21	-	-	789.21	338.25	-	68.85	407.09	382.12	450.96
5	MOTOR VEHICLES	58.67	-	-	58.67	49.50	-	4.52	54.02	4.65	9.17
6	LEASE HOLD LAND (SIPCOT)	25.04	-	-	25.04	3.88	-	0.25	4.13	20.91	21.16
7	BUILDING (SIPCOT)	313.46	-	-	313.46	50.16	-	4.82	54.97	258.49	263.30
8	BUILDINGS (VIZAG)	929.95	-	-	929.95	40.50	-	14.71	55.21	874.74	889.46
		-	-	-	-	-	-	-	-		
	INTANGIBLE ASSETS:	-	-	-	-	-	-	-	-		
1	GOODWILL*	286.37	-	-	286.37	200.38	-	28.64	229.02	57.35	85.99
		-	-	-	-	-	-	-	-		
	CAPITAL WORK IN PROGRESS	-	-	-	-	-	-	-	-		
1	BUILDING (VIZAG)	33.71	0.58	-	34.29	-	-	-	-	34.29	33.71
	TOTAL	6,681.00	18.31	-	6,699.31	2,419.32	-	295.06	2,714.39	3,984.92	4,261.67
	PREVIOUS YEAR	6,655.00	26.00	-	6,681.00	2,121.61	-	297.71	2,419.32	4,261.67	4,540.38

* The Company doesnt have any intangible assets under development.

Capital Work in Progress (CWIP) ageing schedule for the year ended as on 31-03-2022 is as follows:

S.No	Particulars	Outstanding for following periods from due date of Payment				Total
		Less than 01 Year	1-2 Years	2-3 Years	More than 03 Years	
(i)	Projects in progress	0.58	10.11	-	23.60	34.29
(ii)	Projects temporarily Suspended	-	-	-	-	-

Capital Work in Progress (CWIP) ageing schedule for the year ended as on 31-03-2021 is as follows:

S.No	Particulars	Outstanding for following periods from due date of Payment				Total
		Less than 01 Year	1-2 Years	2-3 Years	More than 03 Years	
(i)	Projects in progress	10.11	-	-	23.60	33.71
(ii)	Projects temporarily Suspended	-	-	-	-	-

For Capital Work in Progress (CWIP) whose completion is overdue or has exceeded its cost compared to its original plan, the project-wise details of when the project is expected to be completed as of at 31-03-2022 are as follows:

S.No	Particulars	To be completed in				Total
		Less than 01 Year	1-2 Years	2-3 Years	More than 03 Years	
(i)	Projects in progress CES Limited -Visakhapatnam	33.71	-	-	-	33.71

For Capital Work in Progress (CWIP) whose completion is overdue or has exceeded its cost compared to its original plan, the project-wise details of when the project is expected to be completed as of at 31-03-2021 are as follows:

S.No	Particulars	To be completed in				Total
		Less than 01 Year	1-2 Years	2-3 Years	More than 03 Years	
(i)	Projects in progress CES Limited -Visakhapatnam	33.71	-	-	-	33.71

CES LIMITED

Standalone Notes to Financial Statements for the Year ended 31st March, 2022

NOTE NO. 2 : INVESTMENTS

S.No.	Particulars	As on 31-03-2022	As on 31-03-2021
		(In Lakhs)	(In Lakhs)
I	Investments in Equity Instruments:		
	1) Investment in Subsidiaries		
	a) Equity Shares		
	1) CES USA Inc. USA (Unquoted) -100% Holding	345.90	345.90
	780,000 (previous year 780,000) equity shares of USD 1 each, fully paid		
	Wholly owned subsidiary of the company.		
	2) CES Information Technologies Pvt. Ltd.	0.70	0.70
	6,999 (Previous year 7000) equity shares of Rs. 10/- fully paid up.		
	3) CES Global IT Solutions Private Limited.	351.20	351.20
	9,999 equity shares of Rs. 10/- fully paid up.		
	4) CES Technology Services Private Limited.	306.59	306.59
	9,999 equity shares of Rs. 10/- fully paid up.		
	Total Investments	1,004.39	1,004.39

NOTE NO. 3 : OTHER NON CURRENT ASSETS

S. No.	Particulars	As on 31-03-2022	As on 31-03-2021
		(In Lakhs)	(In Lakhs)
	Non Current		
a	Security Deposits	81.58	83.47
b	Statutory dues Receivable	415.52	440.24
	Total Loans-Non Current	497.09	523.71

NOTE NO. 4 : TRADE RECEIVABLES

S. No.	Particulars	As on 31-03-2022	As on 31-03-2021
		(In Lakhs)	(In Lakhs)
	Unsecured, Considered Good		
a	Accounts Receivable	3,082.46	2,940.21
b	Doubtful Debts	15.45	15.45
	Total Trade Receivables	3,097.91	2,955.67

(i) Trade Receivables Ageing Schedule - Outstanding from due date of payment

Particulars	As on 31.03.2022	As on 31.03.2021
Undisputed -Considered good		
- Less than 06 Months	3,060.02	2,938.89
- 6 Months - 01 Year	15.93	1.32
- 1 -2 Years	6.50	-
- 2-3 Years	-	-
- > 03 Years	-	-
Undisputed -Considered Doubtful		
- Less than 06 Months	-	-
- 6 Months - 01 Year	-	-
- 1 -2 Years	-	-
- 2-3 Years	-	-
- > 03 Years	15.45	15.45
Total	3,097.91	2,955.67

** The Company doesn't have any disputed Trade Receivables

NOTE NO. 5 : CASH AND CASH EQUIVALENTS

S. No.	Particulars	As on 31-03-2022	As on 31-03-2021
		(In Lakhs)	(In Lakhs)
	Cash and cash equivalents :		
a	Balances with banks :		
	On Current Accounts	2,689.80	1,235.20
	Bank deposits with less than 12 months maturity	755.91	710.14
b	Cash on hand	0.25	0.03
	Total Cash and Cash Equivalents	3,445.96	1,945.37

NOTE NO. 6 : LOANS -CURRENT

S. No.	Particulars	As on 31-03-2022	As on 31-03-2021
		(In Lakhs)	(In Lakhs)
	Unsecured, Considered Good		
a	Loans and Advances to Employees	9.68	5.68
b	Prepaid Expenses	149.37	167.43
c	GST Input Credit	172.12	237.59
d	Advance Tax, TDS & TCS Receivables	572.62	259.32
e	Other Advances	6.08	6.08
	Total Loans -Current	909.87	676.11

NOTE NO. 7 : OTHER CURRENT ASSETS

S. No.	Particulars	As on 31-03-2022	As on 31-03-2021
		(In Lakhs)	(In Lakhs)
a	Rent Receivables	5.29	7.10
b	Other Current Assets	80.96	12.31
	Total Other Current Assets	86.25	19.42

CES LIMITED

Standalone Notes to Financial Statements for the year ended 31st March, 2022

NOTE NO. 8 : EQUITY SHARE CAPITAL

S.No.	Particulars	As on 31-03-2022	As on 31-03-2021
		(In Lakhs)	(In Lakhs)
I	Equity Share Capital		
	(a) Authorised (3,65,00,000 Shares of 10/- each Current Year) (3,65,00,000 Shares of 10/- each Current Year)	3,650.00	3,650.00
		3,650.00	3,650.00
	(b) Issued [3,64,00,000 Shares of 10/- each Current Year (of which 3,51,00,000 shares of 10/- each issued by way of bonus shares)] [3,64,00,000 Shares of 10/- each Current Year (of which 3,51,00,000 shares of 10/- each issued by way of bonus shares)]	3,640.00	3,640.00
	(c) Subscribed & Fully Paid Up [3,64,00,000 Shares of 10/- each Current Year (of which 3,51,00,000 shares of 10/- each issued by way of bonus shares)]. [3,64,00,000 Shares of 10/- each Current Year (of which 3,51,00,000 shares of 10/- each issued by way of bonus shares)]	3,640.00	3,640.00
	Total Equity Share capital	3,640.00	3,640.00
II	<u>A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting Year Ended:</u>		
	Equity Shares of Rs.10Each, Fully paid up		
	At the Beginning	364.00	364.00
	Issued during the year -Bonus Shares		
	At the end	364.00	364.00
III	<u>Details of Shareholder holding more than 5% shares of the company:</u>	% of Share Holding	
	Equity Shares of Rs. 10 each Held By		
	Ram Kancharla - 10,280,200 Shares (C.Y) 10,280,200 Shares (P.Y)	28.24	28.24
	Venkateswara Rao.D - 8,838,200 Shares (C.Y) 8,838,200 Shares (P.Y)	24.28	24.28
	Pokuri Swarnalatha - 3,165,120 Shares (C.Y) 3,165,120 Shares (P.Y)	8.7	8.7
	M.Babu Rao - 2,010,400 Shares (C.Y) 2,010,400 Shares (P.Y)	5.52	5.52

NOTE NO. 9 : OTHER EQUITY

S. No.	Particulars	As on 31-03-2022	As on 31-03-2021
		(In Lakhs)	(In Lakhs)
I	RESERVES AND SURPLUS		
	a) General Reserves		
	As at the commencement of the year	456.88	456.88
	Less: Transferred towards depreciation under Companies Act 2013		
		456.88	456.88
	b) Capital Reserve (Sharewarrants forfeited)	870.00	870.00
	c) Retained Earnings :		
	i) Opening Balance - Profit and Loss Account	2,213.47	2,049.21
	Add: Transfer from Profit & Loss Account	1,015.16	164.26
	Less: Amount transferred for issue of Bonus Shares		
		3,228.64	2,213.47
		4,098.64	3,083.47
	Total Other Equity	4,555.52	3,540.36

NOTE NO. 10 : BORROWINGS -NON CURRENT

S. No.	Particulars	As on 31-03-2022	As on 31-03-2021
		(In Lakhs)	(In Lakhs)
	Term Loans:		
a	Term Loans from Banks :		
b	Other Loans		
	Total Borrowings-Non Current	-	-

NOTE NO. 11 : PROVISIONS-NON CURRENT

S. No.	Particulars	As on 31-03-2022	As on 31-03-2021
		(In Lakhs)	(In Lakhs)
	Provisions for employee benefits		
a	Provision for Gratuity-Non Current	759.21	373.71
b	Provision for Leave Encashment-Non Current	318.02	173.53
	Total Provisions	1,077.23	547.24

NOTE NO. 12: DEFERRED TAX LIABILITY (NET)

S. No.	Particulars	As on 31-03-2022	As on 31-03-2021
		(In Lakhs)	(In Lakhs)
I	Opening Deferred tax Liability	356.49	271.99
	Add:	-	-
	Deferred Tax Liability for the year	52.84	84.50
	Gross Deferred tax Liability	409	356
	Opening Deferred tax Asset	142.95	142.95
	Deferred Tax Asset for the year	1.74	3.45
	Gross Deferred tax Asset	144.70	146.41
	Deferred Tax Liability/ (Asset) - Net	264.64	210.09

NOTE NO. 13 : TRADE PAYABLES

S. No.	Particulars	As on 31-03-2022	As on 31-03-2021
		(In Lakhs)	(In Lakhs)
a	Trade Payable Other than MSME	1,535.58	133.86
	Total Trade Payables	1,535.58	133.86

(i) Trade Payables Ageing Schedule - Outstanding from due date of payment

Particulars	As on 31.03.2022	As on 31.03.2021
Dues to MSME*		
- Less than 01 Year	-	-
- 1-2 Years	-	-
- 2-3 Years	-	-
- > 03 Years	-	-
Others		
- Less than 01 Year	1,535.58	133.86
- 1-2 Years	-	-
- 2-3 Years	-	-
- > 03 Years	-	-
Total	1,535.58	133.86

* MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

** The Company doesn't have any disputed dues to MSME's & Others

NOTE NO. 14 : OTHER CURRENT LIABILITIES

S.No.	Particulars	As on 31-03-2022	As on 31-03-2021
		(In Lakhs)	(In Lakhs)
a	Statutory dues Payable	112.59	86.64
b	Other Current Liabilities	383.32	2,515.39
c	Advance from Customers	64.66	54.58
d	Security Deposits Payable	24.06	23.26
e	Outstanding Expenses Payable	689.35	377.23
	Total Other Current Liabilities	1,273.97	3,057.10

NOTE NO. 15 : PROVISIONS-CURRENT

S.No.	Particulars	As on 31-03-2022	As on 31-03-2021
		(In Lakhs)	(In Lakhs)
a	Employee Benefits Payable	139.77	27.69

b	Provision for Gratuity-Current	25.49	21.00
c	Provision for Leave Encashment-Current	47.57	36.24
d	Audit fee Payable	4.35	4.35
e	Provision for Income Tax	461.47	168.42
f	Other Provisions	0.79	-
Total Provisions		679.45	257.70

CES LIMITED

Standalone Notes to Financial Statements for the year ended 31st March, 2022

NOTE NO. 16 : REVENUE FROM OPERATIONS

S.No.	Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
		(In Lakhs)	(In Lakhs)
(i)	Revenue from operations		
	Sale of Services		
a	Domestic Sales	100.79	41.96
b	Export Sales	16,564.38	12,642.52
	Total Revenue from Operations	16,665.17	12,684.48

NOTE NO. 17 : OTHER INCOME

S.No.	Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
		(In Lakhs)	(In Lakhs)
a	Interest income	83.78	36.83
b	Rental Income	215.04	208.09
c	Other Income	-	86.54
d	Exchange (gain)/Loss	55.49	195.83
	Total Other Income	354.31	527.29

NOTE NO. 18 : EMPLOYEE BENEFITS EXPENSE

S.No.	Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
		(In Lakhs)	(In Lakhs)
a	Salaries & Wages	6,709.32	5,663.33
b	Contribution to Provident & Other Funds	543.21	551.96
c	Staff Welfare Expenses	93.29	29.62
	Total Employee Benefit Expenses	7,345.82	6,244.91

NOTE NO. 19 : FINANCE COSTS

S.No.	Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
		(In Lakhs)	(In Lakhs)
a	Interest on Vehicle Loan	-	-
b	Interest on Loan	-	0.84
	Total Finance Cost	-	0.84

NOTE NO. 20 : OTHER EXPENSES

S.No.	Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
		(In Lakhs)	(In Lakhs)
a	Electricity Charges	54.55	53.41
b	Rent	85.47	101.97
c	Repairs to Buildings and Equipments	21.70	32.82
d	Insurance	118.72	126.40
e	Telephone, Postage and Others	59.49	80.83
f	Advertisement Expenses	2.02	0.66
g	Travelling & Conveyance Expenses	10.07	37.38
h	CSR Expenditure	18.43	17.70
i	Office Maintenance	92.19	122.58
j	Printing & Stationery Expenses	9.68	0.16
k	Security Charges	12.93	25.64
l	Rates & Taxes (Excluding Income Tax)	37.83	28.47
m	Computer Hire Charges	152.47	114.91
n	Professional and Consultancy fee	386.63	437.72
o	Job Portal Expenses	203.72	102.36
p	Outside Consultancy Fees	5,279.36	4,344.93
q	Bank Charges	4.08	4.91
r	Dues and Subscriptions	51.38	19.01
s	Exchange Loss/(Gain)	-	-
	Payment to Auditors:	-	-
t	Audit fee	3.00	3.00
u	Business Promotion Expenses	-	10.43
v	Software cost	52.62	29.06
w	Sales & Marketing	694.84	274.94
x	Miscellaneous Expenses	1.63	5.29
	Total Other Expenses	7,352.79	5,974.57

NOTE NO. 21 : TAX EXPENSE

S.No.	Particulars	Year Ended 31-03-2022	Year Ended 31-03-2021
		(In Lakhs)	(In Lakhs)
a	Income Tax-Current Year	476.55	168.42
b	Income Tax-Previous Years	(0.19)	152.32
c	Deferred Tax	52.84	84.50
	Total Tax Expense	529.19	405.24

SIGNIFICANT ACCOUNTING POLICIES

22. Company overview

CES LIMITED (The “Company”) is an Information Technology (IT) and Information Technology Enabled Services (ITES) provider, dedicated to serving the midsize market of global enterprises.

23. Significant accounting policies

23.1 Basis of preparation of financial statements

(i) Compliance with Ind AS

These Financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act 2013 and other relevant provisions of the Act.

(ii) Historical Cost Convention.

These Financial Statements have been prepared on a historical cost basis, except for the following:

- Defined Benefit Plans – Plan assets measured at fair value.

23.2 Use of estimates

The preparation of the financial statements in conformity with the recognition and measurement principles of Ind AS required the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Actual results could differ from those estimates. Examples of such estimates include provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, and the useful lives of Property, Plant & Equipment and intangible assets. Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset’s net sales price or present value as determined above.

Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Where no reliable estimate can be made, a disclosure is made as contingent liability. Actual results could differ from those estimates.

23.3 Revenue recognition

Income from software services and products: Revenue from professional services consist primarily of revenue earned from services performed on a “time and material” basis. The related revenue is recognized as and when the services are performed. The Company also performs time bound fixed-price engagements, under which revenue is recognized using the percentage of completion method of accounting. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provisions for estimated losses on such engagements are made during the year in which a loss becomes probable and can be reasonably estimated.

Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license, except in case of multiple element contracts requiring significant implementation services, where revenue is recognized as per the percentage of completion method.

Interest income is recognized using the time proportion method, based on the transactional interest rates.

23.4 Property, Plant & Equipment

Tangible assets

Tangible assets are stated at actual cost less accumulated depreciation. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes, finance charges and other incidental expenses incurred during the construction/installation stage.

Intangible assets

Intangible assets are recorded at consideration paid for acquisition and other direct costs that can be directly attributed, or allocated on a reasonable and consistent basis, to creating, producing and making the asset ready for its intended use.

Depreciation

In respect of Property, Plant & Equipment (Other than freehold land and capital work-in-progress) acquired during the year, depreciation/amortization is charged on straight line basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life based on an evaluation.

The cost of and the accumulated depreciation for Property, Plant & Equipment sold, retired or otherwise disposed off are removed from the stated values and the resulting gains and losses are included in the profit and loss account. Lease payments under operating lease are recognized as an expense in the profit and loss account. An impairment loss is recognized wherever the carrying amount of the Property, Plant & Equipment exceeds its recoverable amount.

23.5 Foreign Currency transactions and translation

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange at the balance sheet date and resultant gain or loss is recognized in the profit and loss account. Non-monetary assets and liabilities are translated at the rate prevailing on the date of transaction.

23.6 Taxes on Income

Tax expense for the year comprises of current tax and deferred tax.

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

Current income tax payable by overseas branch of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's total income.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of the accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognized only if there is virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

23.7 Earnings per share

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary / exceptional item is considered. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

23.8 Employee Benefits

Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees, based on actuarial valuation made by an independent actuary as at the balance sheet date. In accordance with the Payment of Gratuity Act, 1972, the gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees' salary and the tenure of employment.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

Provident Fund/ESI

Contributions to defined Schemes such as Provident Fund/ESI are charged as incurred on accrual basis. Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions to the government-administered authority.

23.9 Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset (including goodwill) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined, if no impairment loss had been recognized.

23.10 Segment Accounting Policies

(a) Segment Assets and Liabilities:

The assets of the Company are used interchangeably between segments, and hence the assets and liabilities of the Company are currently treated as inseparable.

(b) Segment Revenue and Expense:

The Revenue and direct cost (including the payroll cost of all the employees and consultants which can be attributed to the revenue), excepting the un-allocable costs like personnel cost for the supporting services, depreciation, operating expenditure, interest income on deposits, provision for contingencies and income tax, are directly attributed to the respective segments.

23.11 Provision and Contingent liabilities

The Company creates a provision when there is a present 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. 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. Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022:

24. Expenditure in foreign currency:

	Year Ended 31.03.2022 (Lakhs)	Year Ended 31.03.2021(Lakhs)
--	--	---

Foreign travelling	Nil	Nil
Earning in foreign exchange as reported by the Company to Government of India and as certified by the management		

	Year Ended 31.03.2022(Lakhs)	Year Ended 31.03.2021(Lakhs)
Foreign exchange inflow	16,422.13	11,549.37

25. Disclosure in accordance with the IND AS 19 on Employee Benefits

a) Defined Contribution Plans

Particulars	Amount (Lakhs.)
Contribution to Recognised Provident Fund	127.59
Contribution to Employee's State Insurance	9.22
TOTAL	136.82

b) Defined Benefit Plan-Gratuity

Particulars	Amount in Lakhs.
Present Value of Obligations at the Beginning	394.71
Current Service Cost	141.84
Interest Cost	26.45
Benefits paid	(22.31)
Actuarial (Gain)/Loss	244.02
Present Value of Obligations at the end of the year	784.71

c) The components of net gratuity costs are reflected below

	Amount in Lakhs.
Service Cost	141.84
Interest Cost	26.45
Net Actuarial Gain/ (Loss) recognised in the year	(244.02)
Net gratuity costs	412.30

d) Following are the Principal Actuarial Assumptions used at the balance sheet date:

Particulars	Gratuity
Discount Rate	7.33-7.36%
Compensation Escalation Rate	10.00%

e) Defined Benefit Plan-Leave Encashment

Particulars	Amount in Lakhs.
Present Value of Obligations at the Beginning	209.76
Current Service Cost	96.99
Interest Cost	8.69
Benefits paid	(179.72)
Actuarial (Gain)/Loss	229.88
Present Value of Obligations at the end of the year	365.59

c) The components of net leave encashment costs are reflected below

	Amount in Lakhs.
Service Cost	96.99
Interest Cost	8.69
Net Actuarial Gain/(Loss) recognised in the year	(229.88)
Net leave encashment costs	335.55

d) Following are the Principal Actuarial Assumptions used at the balance sheet date:

Particulars	Leave Encashment
Discount Rate	7.33-7.36%
Compensation Escalation Rate	10.00%

26. Related Party Disclosures

During the current financial year, the Company has entered into some transactions, which can be deemed as related party transactions. All these matters have been approved by the Board and the Govt. of India, wherever necessary.

Related Parties Details

S.No	Name of the Related Party	Nature of Relationship
1	CES Information Technologies Private Limited (CES IT)	Indian Subsidiary Company
2	CES Global IT Solutions Private Limited	Indian Subsidiary Company
3	CES Technology Services Private Limited	Indian Subsidiary Company
4	CES USA Inc.	Foreign Subsidiary
5	CES Global LLC	Stepdown Foreign Subsidiary
6	CES Enterprise LLC	Stepdown Foreign Subsidiary
7	Ample IT Services LLC	Stepdown Foreign Subsidiary
8	CES Infotech Limited	Stepdown Foreign Subsidiary
9	Infra Master Private Limited	Common Directors & Shareholding
10	CES Information Systems private Limited	Common Directors & Shareholding
11	Sri. Mohana Rao Kancharla	Whole Time Director
12	Sri. Srinivas Raju Kucherlapati	Chief Financial Officer
13	Sri. Suraj Kumar Garg	Company Secretary & Compliance Officer

Transaction with Related Parties:

(Amount in Lakhs)

S. No	Nature of Transactions*	2021-22	2020-21
1	Revenue		
	CES Global LLC	90.29	97.23
	CES Enterprise LLC	252.20	30.08
	CES USA Inc	60.68	78.75
	Ample IT Service	24.64	-
	CES IT Private Limited	56.62	-
2	Rent Received		
	CES Global IT Solutions Pvt Ltd	112.80	105.80
	CES IT Private Limited	6.00	6.00
3	Cost of Sales		
	CES Global LLC	36.28	39.00
	CES IT Private Limited	869.36	179.15
	CES USA Inc	120.65	61.58
	CES Technology Services Pvt Ltd	-	14.56
4	Accounts Receivables		
	CES Global IT Solutions Pvt Ltd	-	9.35
	CES IT Private Limited	79.35	12.18

	CES Technology Services Pvt Ltd	-	0.30
	CES Global LLC	19.71	-
	CES Enterprise LLC	2.91	-
	CES USA Inc	3.18	-
5	Accounts Payable		
	CES IT Private Limited	333.24	31.36
	CES USA Inc	58.11	260.01
	CES Technology Services Pvt Ltd	0.30	-
	CES Global IT Solutions Pvt Ltd	360.65	-
6	Unbilled Revenue		
	CES Global LLC	8.11	2.70
	CES Enterprise LLC	14.49	1.85
	CES USA Inc	-	4.60
7	Accrued Outside Services		
	CES IT Private Limited	148.70	87.35
	CES Global LLC	3.07	2.98
8	Key Managerial personnel		
	Mohana Rao Kancharla	18.81	18.00
	Srinivas Raju Kucherlapati	19.73	18.88
	Suraj Kumar Garg	4.56	-

27. The Companies operations predominantly relate to providing IT Services in two primary business segments viz. IT Services and IT Enabled Services (ITES). The Company considers the business segment as the Primary Segment and Geographical Segment based on the location of the customers as the Secondary Segment.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments. Income and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment, while the remainders of costs are apportioned on an appropriate basis. Certain expenses are not specifically allocable to individual segments as underlying services are used interchangeably. The Company therefore believes that it is not practical to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as unallocable and directly charged against total income.

The assets of the Company are used interchangeably between segments, and the management believes that it is currently not practical to provide segment disclosures relating to total assets and liabilities since a meaningful segregation is not possible.

BUSINESS SEGMENTS:**(Amount in Lakhs)**

Profit and Loss Statements for the year ended 31st March 2022	IT Services	IT Enabled Services	Total
Revenues	5,735.77	10,929.39	16,665.17
Direct Expenses	2,528.27	4,817.56	7,345.82
Gross Income	3,207.51	6,111.83	9,319.34
Less: Un-allocated Expenses			7,647.86
Add: Interest & Other Income			354.31
Net Profit Before Taxes			2,025.79
Income Taxes			529.19
Net Profit After Taxes			1,496.60

GEOGRAPHICAL SEGMENTS:**(Amount in Lakhs)**

Profit and Loss Statements for the year ended 31st March 2022	USA	DOMESTIC	Total
Revenues	16,564.38	100.79	16,665.17
Direct Expenses	7,296.98	48.84	7,345.82
Gross Income	9,267.40	51.95	9,319.34
Less: Un-allocated Expenses			7,647.86
Add: Interest & Other Income			354.31
Net Profit Before Taxes			2,025.79
Income Taxes			529.19
Net Profit After Taxes			1,496.60

28. Calculation of EPS as per Ind AS -33 for the year ending 31st March 2022**Amount in Lakhs**

Profit available to the equity shareholders (a)	1,496.60
Weighted average number of shares outstanding (b)	364.00
Basic Earnings per Share (a/b)	4.11
Diluted Earnings per Share (a/b)	4.11

29. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are

eradication of hunger and malnutrition, promoting education, art and culture, health care, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

Amount in Lakhs

Particulars	As at	
	March 31, 2022	March 31, 2021
Amount required to be spent by the company during the year	18.43	17.70
Amount of expenditure incurred	18.43	17.70
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	-	-
Nature of CSR activities,	Eradication of hunger and malnutrition, promotion education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, Covid-19 relief, and rural developments	
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard*	18.43	17.70
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	Not Applicable	Not Applicable

* Represents contribution to CES Foundation a controlled trust.

30. The management has initiated the process of identifying enterprises which have provided services to the company, and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. The company has not received any intimation from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.
31. There has been no significant impact on the operations and financial position of the company on account of the outbreak of COVID-19 pandemic and consequential lock-down restrictions imposed by the Government.
32. During the financial year 2021-22 there are no transactions with struck off companies under section 248 or 560 of the companies' act, 2013.

33. The Company has complied with the no. of layers prescribed under clause (87) of Section 02 of the act read with the Companies (Restriction on number of layers) Rules, 2017.
34. There is no Scheme of Arrangements that has been approved in terms of sections 230 to 237 of the companies' act, 2013.
35. There are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
36. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
37. No charges or satisfaction is yet to be registered with Registrar of Companies beyond the statutory period.
38. The company has not advanced/loans/invested or received funds (either borrowed funds or share premium or any other sources or kind of funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
39. In the opinion of the management, the current assets, loans and advances shall realise the value as shown in the balance sheet, if realized in the normal course of business.
40. Balances of accounts receivables, payables & loans and advances are subject to confirmation/reconciliation.

41. Ratios

Ratios	Numerator	Denominator	Current year	Previous year	Variance (in %)
Current ratio (in times)	Total current assets	Total current liabilities	2.16	1.62	33.17^
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities*	Total Equity	N.A	N.A	-
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments*	N.A	N.A	-
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	19.47%	4.06%	15.40

Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	5.51	5.30	3.81
Trade payables turnover ratio (in times)	Purchase of Services and other expenses	Average trade payables	27.95	33.29	(16.03)
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	5.38	6.80	(20.94)
Net profit ratio (in %)	Profit for the year	Revenue from operations	9%	2%	7.00
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Tangible Net worth + Lease liabilities + Deferred tax liabilities	24.11%	9.51%	14.60
Return on investment (in %) - Unquoted	Income generated from invested funds	Average invested funds in treasury investments	180%	194%	(14.00)

* The company doesn't have any borrowings and lease liabilities

^ Revenue growth along with higher efficiency on working capital improvement has resulted in an improvement in current ratio

42. Previous year figures have been regrouped /reclassified wherever necessary to suit the current year's layout.

SIGNATURES TO NOTES 1 To 42

As per our report of even date
For P C N & Associates,
Chartered Accountants
Firm Registration No. 016016S

For and on behalf of the Board of Directors of
CES LIMITED

K Gopala Krishna
Partner
Membership No. 203605

Mohana Rao Kancharla
Director

Rama Krishna S
Director

Place: Hyderabad
Date: 30 May,2022

Srinivas Kucherlapati
Chief Financial Officer

Suraj Kumar Garg
Company Secretary

INDEPENDENT AUDITOR'S REPORT

**To the Members of
M/S CES LIMITED**

Report on the Audit of Consolidated IND AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **CES LIMITED** ("the holding Company"), subsidiaries (the holding Company and its subsidiaries together referred to as "the Group") comprising the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, the consolidated Profit, consolidated total comprehensive Income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

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

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group 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 responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the 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 Consolidated 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 Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit Procedures that is appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the group to continue as a going concern. If we conclude that a material uncertainty exists; we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be

communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated Financial Results include the audited Financial Results of Four subsidiaries, whose Financial Statements reflect Group's share of total assets of Rs.12,337.33 Lakhs as at 31st March 2022, Group's share of total revenue before elimination of Rs. 7,418.92 Lakhs and Rs. 23,009.79 Lakhs and Group's share of total net profit after tax of Rs.1,369.03 Lakhs and Rs. 2,276.88 Lakhs for the quarter ended 31st March 2022 and for the period from 01-04-2021 to 31-03-2022 respectively, as considered in the consolidated Financial Results, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and the other financial information of subsidiaries, as noted in the 'other matters' paragraph, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.

- d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act and the relevant rules issued there under.
- e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2022, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the companies included in the group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
- g) With respect to 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 information and according to the explanations given to us:
 - i. The Group has no pending litigations which would impact on its financial position
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the companies included in the group
 - iv. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or group companies to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

- v. The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company or group companies from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or group companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vi. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations as above in (iv) and (v) under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- vii. The company or group companies has not declared or paid any dividend during the year.

For P C N & Associates.
Chartered Accountants
FRN: 016016S

K Gopala Krishna
Partner
M.No. 203605
UDIN No: 22203605AKGQUW3456

Place: Hyderabad
Date: 30-05-2022

“ANNEXURE A”
ANNEXURE TO INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE
CONSOLIDATED FINANCIAL STATEMENTS OF CES LIMITED

Report on the Internal Financial Controls over Financial Reporting under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 (‘The Act’)

In conjunction with our Audit of the consolidated Ind AS financial statements of the company as of and for the year ended 31st March 2022, we have audited the internal financial controls over financial reporting of **CES LIMITED**(‘the Holding company’) and its subsidiary companies which are incorporated in India, as of the date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the holding company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the holding company, its subsidiaries which are companies incorporated in India, internal financial controls over financial reporting based on our Audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed the audit

to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risk of material misstatement of the consolidated IND AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and the company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the holding company, its subsidiaries, which are companies incorporated in India, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2022, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute Of Chartered Accountants of India.

For P C N & Associates.
Chartered Accountants
FRN: 016016S

K Gopala Krishna
Partner
M.No. 203605
UDIN No: 22203605AKGQUW3456

Place: Hyderabad
Date: 30-05-2022

CES LIMITED

Consolidated Balance Sheet as at 31st March,2022

Particulars	Note No	Consolidated	Consolidated
		As on 31-03-2022	As on 31-03-2021
		(In Lakhs)	(In Lakhs)
ASSETS:			
1 Non-Current Assets:			
(a) Property, Plant and Equipment	1	3,983.49	4,260.31
(b) Capital Work-in-progress		34.29	33.71
(c) Intangible Assets		1,020.60	1,184.69
(d) Goodwill on Consolidation		655.49	655.49
(e) Financial Assets:			
(i) Other Non Current Assets	2	741.11	615.80
(f) Deferred Tax Asset	11	78.00	32.52
2 Current Assets:			
(a) Financial Assets:			
(i) Trade Receivables	3	7,196.09	6,579.96
(ii) Cash and Cash Equivalents	4	11,176.96	7,539.02
(iii) Loans	5	1,693.84	1,644.74
(b) Other Current Assets	6	70.71	21.19
Total		26,650.58	22,567.44
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	7	3,640.00	3,640.00
(b) Other Equity	8	11,426.50	8,528.32
(c) Minority Interest		1,080.71	834.51
Liabilities			
2 Non-Current Liabilities			
(a) Financial Liabilities:			
(i) Borrowings	9	-	25.42
(b) Provisions	10	1,407.66	759.82
(c) Deferred Tax Liabilities (Net)	11	264.72	221.86
3 Current Liabilities			
(a) Financial Liabilities:			
(i) Short Term Borrowings	12	825.26	388.85
(ii) Trade Payables	13	2,297.07	932.40
(b) Other Current Liabilities	14	3,254.75	5,197.94
(c) Provisions	15	2,453.92	2,038.32
Total		26,650.58	22,567.44

Summary of Significant Accounting Policies

The accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

For P C N & Associates,
Chartered Accountants
Firm Regn. No: 016016S

For and on behalf of the Board
CES Limited

K Gopala Krishna
Partner
M.No. 203605

Mohana Rao K
Director

Rama Krishna S
Director

Place : Hyderabad
Date : 30th May,2022

Srinivasa Raju K
C.F.O

Suraj Garg
Company Secretary

CES LIMITED

Consolidated Statement of Profit and Loss for the Period Ended 31st March,2022

Particulars	Note No	Consolidated 31-03-2022	Consolidated 31-03-2021
		(In Lakhs)	(In Lakhs)
I. Revenue from Operations	16	39,345.07	31,346.57
II. Other Income	17	718.51	1,607.12
III. Total Income (I +II)		40,063.58	32,953.69
<u>IV. Expenses:</u>			
Employee Benefits expense	18	17,597.92	11,262.04
Finance costs	19	15.93	24.85
Depreciation and amortization expense	1	543.35	659.27
Other Expenses	20	17,194.96	17,627.34
IV. Total Expenses		35,352.17	29,573.49
V. Profit before exceptional and extraordinary items and tax (III - IV)		4,711.41	3,380.21
VI. Exceptional Items			
VII. Profit before extraordinary items and tax (V - VI)		4,711.41	3,380.21
VIII. Extraordinary Items		-	-
V. Profit/(Loss) before exceptional items and tax (III - IV)		4,711.41	3,380.21
VI. Exceptional Items		-	-
VII. Profit/(Loss) before tax (V-VI)		4,711.41	3,380.21
VIII. Tax expense:			
(i) Current tax	21	1,114.52	757.81
(iv) Deferred tax		39.26	57.04
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)		3,557.63	2,565.36
X. Other Comprehensive Income.			
A. Items that will be reclassified to Profit or Loss			
(i) Exchange (gain)/Loss on foreign currency transactions		1.23	2.60
(ii) Actuarial loss on defined benefit plans reconginised in accordance with Ind AS 19.		(520.03)	(162.88)
 Total Comprehensive Income for the period		3,038.83	2,405.08
XI. Attributable to			
Shareholders of the Company		2,824.07	2,116.04
Non-Controlling Interests		214.75	289.04
XII. Earnings per equity share (for continuing operation):			
(1) Basic		9.77	7.05
(2) Diluted		9.77	7.05

Summary of Significant Accounting Policies

The accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

**For P C N & Associates,
Chartered Accountants
Firm Regn. No: 016016S**

**For and on behalf of the Board
CES Limited**

**K Gopala Krishna
Partner
M.No. 203605**

**Mohana Rao K
Director**

**Rama Krishna S
Director**

**Place : Hyderabad
Date: 30th May, 2022**

**Srinivasa Raju K
C.F.O**

**Suraj Garg
Company Secretary**

CES LIMITED

Consolidated Statement of Changes in Equity for the period ended 31st March,2022

(In Lakhs)

Particulars	Reserves & Surplus				Other Comprehensive		Non Controlling Interest	Total Equity attributable to equity holders of	Total Equity
	Equity Share Capital	Retained Earnings	General Reserve	Capital Reserve	Translation Reserve	Other Items			
Balance as at 01-04-2020	3,640.00	5,116.49	456.88	870.00	26.24	(206.38)	505.84	9,903.23	10,409.07
Profit for the period	-	2,276.32	-	-	-	-	289.04	2,276.32	2,565.36
Remeasurement of Net defined benefit Liability/ Asset	-	-	-	-	-	(162.88)	-	(162.88)	(162.88)
Exchange gain/(Loss) on foreign currency transactions	-	-	-	-	-	2.60	(0.30)	2.60	2.30
Exchange differences on translation of foreign operations	-	-	-	-	148.75	-	-	148.75	148.75
Non Controlling interest acquired during the year	-	-	-	-	-	-	-	-	-
Non Controlling interest Paid for the year	-	-	-	-	-	-	39.93	-	39.93
Balance as at 31-03-2021	3,640.00	7,392.82	456.88	870.00	174.98	(366.67)	834.51	12,168.02	13,002.53
Profit for the period	-	3,342.87	-	-	-	-	214.75	3,342.87	3,557.63
Remeasurement of Net defined benefit Liability/ Asset	-	-	-	-	-	(520.03)	-	(520.03)	(520.03)
Exchange gain/(Loss) on foreign currency transactions	-	-	-	-	74.11	1.23	0.30	75.34	75.64
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-
Non Controlling interest acquired during the year	-	-	-	-	-	-	-	-	-
Net Non Controlling interest received during the year	-	-	-	-	-	-	31.44	-	31.44
Balance as at 31-03-2022	3,640.00	10,735.69	456.88	870.00	249.09	(885.47)	1,081.01	15,066.20	16,147.20

CES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH,2022

Particulars	Year Ended 31-03-2022 (In Lakhs)	Year Ended 31-03-2021 (In Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary items	4,711.41	3,380.21
Adjustments for:		-
Interest	15.93	24.85
Depreciation	543.35	659.27
Other Comprehensive Income/ (Expenses)	518.80	-160.28
Operating Profit before working capital changes	5,789.49	3,904.04
Adjustments for:		-
Trade and other receivables	(616.13)	(2,711.80)
Short Term Loans and Advances	(49.10)	1,748.22
Other Current Liabilities	(1,943.19)	822.67
Short Term Borrowings	436.41	68.21
Short Term Provisions	(698.92)	1,072.29
Trade Payables	1,364.67	150.46
Other Current assets	(49.52)	665.66
Cash generated from operations	4,233.71	5,719.76
Direct taxes	(1,114.52)	(757.81)
Cash flow before extraordinary items	3,119.19	4,961.95
Extraordinary items	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	3,119.19	4,961.95
B. CASH FLOW FROM INVESTING ACTIVITIES:	-	-
Purchase of Fixed Assets	(103.01)	(216.37)
Proceeds from Investments	(125.31)	(218.04)
Proceeds/(Repayment) of Loan	(25.42)	(30.16)
Translation Adjustments	109.14	106.53
Proceeds in Minority Equity	31.44	39.63
Net Cash Used In Investing Activities	(113.17)	(318.41)
C. CASH FLOW FROM FINANCING ACTIVITIES:		-
Interest paid	(15.93)	(24.85)
Long Term Liabilities	-	-
Long Term Provisions	647.85	410.79
Long Term Loans and Other Financial Assets	-	-
Net Cash Flow From Financing Activities	631.92	385.94
NET INCREASE\ (DECREASE) IN CASH AND CASH EQUIVALENTS	3,637.94	5,029.48
Cash and Cash equivalents (Opening Balance)	7,539.02	2,509.54
Cash and Cash equivalents (Closing Balance)	11,176.96	7,539.02

AS PER OUR REPORT OF EVEN DATE

For P C N & Associates,

Chartered Accountants

Firm Regn. No: 016016S

For and on behalf of the Board

CES Limited

K Gopala Krishna
Partner

Mohana Rao K
Director

Rama Krishna S
Director

M.No. 203605

Place : Hyderabad.
Date : 30th May, 2022

Srinivasa Raju K
C.F.O

Suraj Garg
Company Secretary

CES LIMITED

Consolidated Notes to Financial Statements for the Year ended 31st March, 2022

NOTE NO. 2 : OTHER NON CURRENT ASSETS

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2022	As on 31-03-2021
		(In Lakhs.)	(In Lakhs.)
I	Other Financial Assets:		
	a) Security Deposit		
	- Secured, Considered Good	122.92	124.81
	b) Statutory dues Receivable	416.07	343.98
	c) Loan to Director	202.13	-
	d) Other Investments	-	147.01
	Total Financial Assets-Non Current	741.11	615.80

NOTE NO. 3 : TRADE RECEIVABLES

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2022	As on 31-03-2021
		(In Lakhs.)	(In Lakhs.)
I	Unsecured, Considered Good	7,164.47	6,559.11
		7,164.47	6,559.11
	Doubt ful Debts	31.63	20.85
	Total Trade Receivables	7,196.09	6,579.96

(i) Trade Receivables Ageing Schedule - Outstanding from due date of payment

S. No.	Particulars	As on 31.03.2022	As on 31.03.2021
I	Undisputed -Considered good		
	- Lessthan 06 Months	7,140.75	6,518.04
	- 6 Months - 01 Year	17.21	40.27
	- 1 -2 Years	6.50	0.79
	- 2-3 Years	-	-
	- > 03 Years	-	-
II	Undisputed -Considered Doubtful		
	- Lessthan 06 Months	-	-
	- 6 Months - 01 Year	10.77	-
	- 1 -2 Years	-	2.21
	- 2-3 Years	2.21	-
	- > 03 Years	18.65	18.65
	Total	7,196.09	6,579.96

** The Company doesn't have any disputed Trade Receivables

NOTE NO. 4 : CASH AND CASH EQUIVALENTS

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2022	As on 31-03-2021
		(In Lakhs.)	(In Lakhs.)
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	10,419.58	6,827.63
	2) Bank deposits with more than 12 months maturity	-	-
	3) Bank deposits with less than 12 months maturity	755.91	710.14
	b) Cash on hand	1.47	1.26
	Total Cash and Cash Equivalents	11,176.96	7,539.02

NOTE NO. 5 : LOANS - CURRENT

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2022	As on 31-03-2021
		(In Lakhs.)	(In Lakhs.)
I	Unsecured, Considered Good		
	Loans and Advances to Employees	13.75	6.35
	Prepaid Expenses	424.24	456.45
	Advance for Expenses	-	-
	GST Input Credit	325.82	440.95
	Foreign Tax Credit	-	-
	Advance Tax and TDS Receivable	914.45	546.45
	Other Loans/ Advances	15.58	194.54
	Total Loans and Advances	1,693.84	1,644.74

NOTE NO. 6 : OTHER CURRENT ASSETS

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2022	As on 31-03-2021
		(In Lakhs.)	(In Lakhs.)
I	Rent Receivables	5.29	8.87
	Other Current Assets	65.41	12.31
	Total Other Current Assets	70.71	21.19

CES LIMITED

NOTE NO. 1 : PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS AS AT 31-03-2022

(In Lakhs)

Sl. No.	Particulars	Gross Block				Depreciation/Amortization				Net Block as on 31.03.2022	Net Block as on 31.03.2021
		As on 01.04.2021	Additions during the Year	Adjustment/ Deletions during the Year	As on 31.03.2022	Dep. As on 01.04.2021	Adjustment/ Deletions during the Year	Depreciation for the Year	Total Depreciation		
	<u>PROPERTY, PLANT AND EQUIPMENT:</u>										
1	BUILDINGS (HYDERABAD)	2,534.24	-	-	2,534.24	220.86	-	65.36	286.22	2,248.02	2,313.38
2	COMPUTERS & SOFTWARE	2,834.45	99.32	-	2,933.77	2,716.00	-	110.46	2,826.46	107.30	118.45
3	OFFICE EQUIPMENT	702.56	3.11	-	705.68	532.33	-	84.21	616.54	89.14	173.08
4	FURNITURE AND FIXTURES	814.42	-	-	814.42	339.26	-	93.04	432.30	382.12	472.31
5	MOTOR VEHICLES	58.67	-	-	58.67	49.50	-	4.52	54.02	4.65	9.17
6	LEASE HOLD LAND (SIPCOT)	25.04	-	-	25.04	3.88	-	0.25	4.13	20.91	21.16
7	BUILDING (SIPCOT)	313.46	-	-	313.46	50.16	-	4.82	54.97	258.49	263.30
8	BUILDINGS (VIZAG) - BLOCK 1	929.95	-	-	929.95	40.50	-	14.71	55.21	874.74	889.46
		-	-	-	-	-	-	-	-		-
	INTANGIBLE ASSETS:										
1	GOODWILL	1,585.93	-	-	1,585.93	401.23	-	165.98	567.21	1,018.72	1,184.69
		-	-	-	-	-	-	-	-		-
	<u>CAPITAL WORK IN PROGRESS</u>										
1	BUILDINGS (VIZAG) - BLOCK 2	33.71	0.58	-	34.29	-	-	-	-	34.29	33.71
	TOTAL	9,832.44	103.01	-	9,935.45	4,353.72	-	543.35	4,897.07	5,038.38	5,478.72
	PREVIOUS YEAR	9,576.01	53.05	(203.39)	9,832.44	3,654.39	(40.06)	659.27	4,353.72	5,478.72	5,921.62

Capital Work in Progress (CWIP) ageing schedule for the year ended as on 31-03-2022 is as follows:

S.No	Particulars	Outstanding for following periods from due date of Payment				Total
		Less than 01 Year	1-2 Years	2-3 Years	More than 03 Years	
(i)	Projects in progress	0.58	10.11	-	23.60	34.29
(ii)	Projects temporarily Suspended	-	-	-	-	-

Capital Work in Progress (CWIP) ageing schedule for the year ended as on 31-03-2021 is as follows:

S.No	Particulars	Outstanding for following periods from due date of Payment				Total
		Less than 01 Year	1-2 Years	2-3 Years	More than 03 Years	
(i)	Projects in progress	10.11	-	-	23.60	33.71
(ii)	Projects temporarily Suspended	-	-	-	-	-

For Capital Work in Progress (CWIP) whose completion is overdue or has exceeded its cost compared to its original plan,

S.No	Particulars	To be completed in				Total
		Less than 01 Year	1-2 Years	2-3 Years	More than 03 Years	
(i)	Projects in progress CES Limited -Visakhapatnam	34.29	-	-	-	34.29

For Capital Work in Progress (CWIP) whose completion is overdue or has exceeded its cost compared to its original plan, the project-wise details of when the project is expected to be completed as of at 31-03-2021 are as follows:

S.No	Particulars	To be completed in				Total
		Less than 01 Year	1-2 Years	2-3 Years	More than 03 Years	
(i)	Projects in progress CES Limited -Visakhapatnam	33.71	-	-	-	33.71

CES LIMITED

Consolidated Notes to Financial Statements for the Period Ended 31st March,2022

NOTE NO. 7 : EQUITY SHARE CAPITAL

S.No.	Particulars	Consolidated	Consolidated
		As on 31-03-2022	As on 31-03-2021
		(In Lakhs.)	(In Lakhs.)
I	Equity Share Capital		
	(a) Authorised		
	(3,65,00,000 Shares of 10/- each Current Year)		
	(3,65,00,000 Shares of 10/- each Previous Year)	3,650.00	3,650.00
		3,650.00	3,650.00
	(b) Issued		
	[3,64,00,000 Shares of 10/- each Current Year		
	(3,64,00,000 Shares of 10/- each Previous Year)	3,640.00	3,640.00
	(c) Subscribed & Fully Paid Up		
	[3,64,00,000 Shares of 10/- each Current Year		
	(3,64,00,000 Shares of 10/- each Previous Year)	3,640.00	3,640.00
	Total Equity Share capital	3,640.00	3,640.00
II	<u>A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:</u>		
	Equity Shares of Rs.10Each, Fully paid up		
	At the Beginning	364.00	364.00
	Issued during the year	-	
	At the end	364.00	364.00
III	<u>Details of Shareholder holding more than 5% shares of the company:</u>		
		% of Share Holding	
	Equity Shares of Rs. 10 each Held By		
	Ram Kancharla -10,280,200 Shares (C.Y) ... 10,280,200 Shares (P.Y)	28.24	28.24
	Venkateswara Rao.D - 8,838,200 Shares (C.Y) ...8,838,200 Shares (P.Y)	24.28	24.28
	Pokuri Swarnalatha -3,165,120 Shares (C.Y) ...3,165,120 Shares (P.Y)	8.70	8.70
	M.Babu Rao - 2,010,400 Shares (C.Y) ... 2,010,400 Shares (P.Y)	5.52	5.52

NOTE NO. 8 : OTHER EQUITY

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2022	As on 31-03-2021
		(In Lakhs)	(In Lakhs)
I	RESERVES AND SURPLUS		
	a) General Reserves		
	As at the commencement of the year	456.88	456.88
		456.88	456.88
	b) Capital Reserve (Sharewarrants forefeited)	870.00	870.00
	c) Revaluation Reserve	-	-
	d) Retained Earnings :		
	i) Opening Balance - Profit and Loss Account	7,026.45	4,910.11
	Add: Transfer from Profit & Loss Account	3,038.83	2,405.08
	Less: Transfer To Minority Interest	(214.75)	(288.74)
	Add: Transfer from Minority Interest	-	-
	Less: Transfer for Issue of Bonus Shares	-	-
		9,850.52	7,026.45

Translation Adjustment	249.09	174.98
Total Other Equity	11,426.50	8,528.32
Minority Interest	1,080.71	834.51

NOTE NO. 9 : BORROWINGS

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2022	As on 31-03-2021
		(In Lakhs)	(In Lakhs)
	b) Other Loans	-	25.42
	Total Borrowings	-	25.42

NOTE NO. 10 : PROVISIONS

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2022	As on 31-03-2021
		(In Lakhs)	(In Lakhs)
I	a) Provisions for employee benefits		
	- Provision for Gratuity	967.43	516.98
	- Provision for Leave Encashment	440.24	242.83
	Total Provisions	1,407.66	759.82

NOTE NO. 11: DEFERRED TAX LIABILITY (NET)

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2022	As on 31-03-2021
		(In Lakhs)	(In Lakhs)
I	Opening Deferred tax Liability	356.51	283.75
	Add:	-	-
	Deferred Tax Liability for the year	55.62	84.51
	Gross Deferred tax Liability	412.13	368.27
	Opening Deferred tax Asset	175.47	142.95
	Add: Deferred Tax Asset for the year	49.94	3.45
	Gross Deferred tax Asset	225.41	146.41
	Deferred Tax Liability/ (Asset) - Net	186.72	221.86

NOTE NO. 12 : SHORT TERM BORROWINGS

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2022	As on 31-03-2021
		(In Lakhs)	(In Lakhs)
I	a) Loan from Related Parties	(0.00)	92.46
	b) Loan from Others	825.26	296.38
		-	-
	Total Borrowings	825.26	388.85

NOTE NO. 13 : TRADE PAYABLES

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2022	As on 31-03-2021
		(In Lakhs)	(In Lakhs)
I	a) Trade Payables	2,297.07	932.40
		-	-
	Total Trade Payables	2,297.07	932.40

(i) Trade Payables Ageing Schedule - Outstanding from due date of payment

S. No.	Particulars	As on 31.03.2022	As on 31.03.2021
I	Dues to MSME*		
	- Less than 01 Year	-	-
	- 1-2 Years	-	-
	- 2-3 Years	-	-
	- > 03 Years	-	-
II	Others		
	- Less than 01 Year	2,288.22	925.59
	- 1-2 Years	1.82	-
	- 2-3 Years	-	-
	- > 03 Years	7.03	6.81
	Total	2,297.07	932.40

* MSME as per the Micro, Small and Medium Enterprises Development Act, 2006

** The Company doesn't have any disputed dues to MSME's & Others

NOTE NO. 14 : OTHER CURRENT LIABILITIES

S.No.	Particulars	Consolidated	Consolidated
		As on 31-03-2022	As on 31-03-2021
		(In Lakhs)	(In Lakhs)
I	Statutory dues Payable	184.37	130.46
II	Other Current Liabilities	2,224.87	2,534.24
III	Advance from Customers	131.74	104.82
IV	Security Deposits Payable	24.06	24.06
V	Outstanding Expenses Payable	689.71	2,404.35
	Total Other Current Liabilities	3,254.75	5,197.94

NOTE NO. 15 : PROVISIONS-SHORT TERM

S.No.	Particulars	Consolidated	Consolidated
		As on 31-03-2022	As on 31-03-2021
		(In Lakhs)	(In Lakhs)
I	a) Provisions for Employee benefits	1,528.96	1,099.53
	b) Others	-	-
	Provision for Income Tax	793.79	465.55
	Consultancy Charges Payable	-	36.96
	Audit Fee Payable	6.06	6.79
	Provision for Gratuity-Short Term	33.03	24.91
	Provision for Leave Encashment- Short Term	72.53	49.41
	Other Provisions	19.55	355.18
	Total Provisions	2,453.92	2,038.32

CES LIMITED

Consolidated Notes to Financial Statements for the Period Ended 31st March,2022

NOTE NO. 16 : REVENUE FROM OPERATIONS

S.No.	Particulars	Consolidated 31-03-2022	Consolidated 31-03-2021
		(In Lakhs)	(In Lakhs)
(I)	Revenue from operations		
	(a) Sale of Services		
	Domestic Sales	100.79	41.96
	Export Sales	39,244.28	31,304.62
	Total Revenue from Operations	39,345.07	31,346.57

NOTE NO. 17 : OTHER INCOME

S.No.	Particulars	Consolidated 31-03-2022	Consolidated 31-03-2021
		(In Lakhs)	(In Lakhs)
I	(a) Interest income	213.71	102.90
	(b) Rental Income	96.24	96.29
	(c) Other Income	0.03	275.99
	(d) Exchange Gain	82.11	197.06
	(e) Income from forgiven PPP Loans	326.42	934.88
	Total Other Income	718.51	102.90

NOTE NO. 18 : EMPLOYEE BENEFITS EXPENSE

S.No.	Particulars	Consolidated 31-03-2022	Consolidated 31-03-2021
		(In Lakhs)	(In Lakhs)
I	(a) Salaries & Wages	16,166.02	10,008.01
	(b) Contribution to Provident & Other Funds	1,300.09	1,213.02
	(c) Staff Welfare Expenses	131.81	41.01
	Total Employee Benefit Expenses	17,597.92	11,262.04

NOTE NO. 19 : FINANCE COST

S.No.	Particulars	Consolidated 31-03-2022	Consolidated 31-03-2021
		(In Lakhs)	(In Lakhs)
I	(a) Interest Expenses		
	- Interest on Vehicle Loan	-	-
	- Interest on Term Loan	-	0.84
	- Other Finance Costs	15.93	24.00
	Total Finance Cost	15.93	24.85

NOTE NO. 20 : OTHER EXPENSES

S.No.	Particulars	Consolidated 31-03-2022	Consolidated 31-03-2021
		(In Lakhs)	(In Lakhs)
I	(a) Electricity Charges	64.59	63.35
	(b) Rent	136.60	152.68
	(c) Repairs to Buildings and Equipments	21.70	32.82
	(d) Insurance	142.11	135.47
	(e) Telephone, Postage and Others	73.22	99.11
	(f) Advertisement Expenses	2.02	0.66
	(g) Conveyance & Travelling Expenses	11.57	70.01
	(h) CSR Expenditure	31.93	36.14
	(i) Office Maintenance	123.38	150.58
	(j) Printing & Stationery Expenses/Subscriptions	14.00	26.20
	(k) Security Charges	12.93	25.64
	(l) Rates & Taxes (excluding Income Tax)	60.99	81.16
	(m) Computer Hire Charges	303.24	181.84
	(n) Professional and Consultancy fee	426.50	801.84
	(o) Job Portal Expenses	203.72	102.36
	(p) Outside Consultancy Fees	10,701.98	13,230.40
	(q) Bank Charges	13.61	13.38
	(r) Dues and Subscriptions	57.29	19.01
	(s) Taxes of earlier Years	-	-
	(t) Software Supplies	78.42	35.21
	(u) Other operating expenses	528.65	368.84
	(v) Misc Expenses	1.64	9.69
	(w) Exchange (gain)/loss	-	14.11
	(x) Payment to Auditors:	-	-
	(i) As Auditor	4.12	4.06
	(y) Business Promotion Expenses	-	10.43
	(z) Sales & Marketing	2,674.02	1,616.83
	(aa) Management fee to Owners	1,506.75	345.53
	Total Other Expenses	17,194.96	1,473.17

NOTE NO. 21 : TAX EXPENSE

S.No.	Particulars	Consolidated 31-03-2022	Consolidated 31-03-2021
		(In Lakhs)	(In Lakhs)
a	Income Tax-Current Year	1,094.30	625.73
b	Income Tax-Previous Years	20.22	132.08

	Total Tax Expense	1,114.52	757.81
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SIGNIFICANT ACCOUNTING POLICIES

22. Company overview

CES LIMITED together with its subsidiaries (Collectively “the Group”) is an Information Technology (IT) and Information Technology Enabled Services (ITES) provider, dedicated to serving the midsize market of global enterprises.

23. Significant accounting policies

23.1 Basis of preparation of financial statements

(i) Compliance with Ind AS

These Consolidated Financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS)as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act 2013 and other relevant provisions of the Act.

(ii) Historical Cost Convention.

These Consolidated Financial Statements have been prepared on a historical cost basis, except for the following:

- Defined Benefit Plans – Plan assets measured at fair value.

23.1a Principles of Consolidation:

The consolidated financial statements have been prepared on the following basis:

The consolidated financial statements include the financial statements of CES Limited and its subsidiaries CES USA Inc. (Wholly owned subsidiary), CES Information Technologies Private Limited (70% owned), CES Technology Services Private Limited (99.99% Owned), CES Global IT Solutions Private Limited (99.99% Owned). The financial statements of the parent company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of all items of assets, liabilities, incomes, and expenses after eliminating all intercompany balances/transactions.

Minority interest in the net assets of consolidated subsidiaries is the amount of equity attributable to the minorities at the dates on which investment in a subsidiary is made and the minority’s share of movements in equity since the date of parent subsidiary relationship came into existence.

23.2 Use of estimates

The preparation of the financial statements in conformity with the recognition and measurement principles of Ind AS require the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Actual results could differ from those estimates. Examples of such estimates include provisions for doubtful

debts, future obligations under employee retirement benefit plans, income taxes, and the useful lives of Property, Plant & Equipment, and intangible assets. Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Where no reliable estimate can be made, a disclosure is made as contingent liability. Actual results could differ from those estimates.

23.3 Revenue recognition

Income from software services and products: Revenue from professional services consist primarily of revenue earned from services performed on a "time and material" basis. The related revenue is recognized as and when the services are performed. The Company also performs time bound fixed-price engagements, under which revenue is recognized using the percentage of completion method of accounting. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provisions for estimated losses on such engagements are made during the year in which a loss becomes probable and can be reasonably estimated.

Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license, except in case of multiple element contracts requiring significant implementation services, where revenue is recognized as per the percentage of completion method.

Interest income is recognized using the time proportion method, based on the transactional interest rates.

23.4 Property, Plant & Equipment

Tangible assets

Tangible assets are stated at actual cost less accumulated depreciation. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes, finance charges and other incidental expenses incurred during the construction/installation stage.

Intangible assets

Intangible assets are recorded at consideration paid for acquisition and other direct costs that can be directly attributed, or allocated on a reasonable and consistent basis, to creating, producing and making the asset ready for its intended use.

Depreciation

In respect of Property, Plant & Equipment (Other than freehold land and capital work-in-progress) acquired during the year, depreciation/amortization is charged on straight line basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life based on an evaluation.

The cost of and the accumulated depreciation for Property, Plant & Equipment sold, retired or otherwise disposed off are removed from the stated values and the resulting gains and losses are included in the profit and loss account. Lease payments under operating lease are recognized as an expense in the profit and loss account. An impairment loss is recognized wherever the carrying amount of the Property, Plant & Equipment exceeds its recoverable amount.

23.5 Foreign Currency transactions and translation

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange at the balance sheet date and resultant gain or loss is recognized in the profit and loss account. Non-monetary assets and liabilities are translated at the rate prevailing on the date of transaction.

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 currency translation reserves under other components of equity. When a subsidiary is disposed of, in full, the relevant amount is transferred to net profit in the Consolidated 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.

23.6 Taxes on Income

Tax expense for the year comprises of current tax and deferred tax.

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

Current income tax payable by overseas branch of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's total income.

The current income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which it operates.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of the accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognized only if there is virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

23.7 Earnings per share

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary / exceptional item is considered. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

23.8 Retirement benefits to employees

Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees, based on actuarial valuation made by an independent actuary as at the balance sheet date. In accordance with the Payment of Gratuity Act, 1972, the gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees' salary and the tenure of employment.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Compensated absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

Provident Fund/ESI

Contributions to defined Schemes such as Provident Fund/ESI are charged as incurred on accrual basis. Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions to the government administered authority.

23.9 Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset (including goodwill) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined; if no impairment loss had been recognized.

23.10 Segment Accounting Policies

(a) Segment Assets and Liabilities:

The assets of the Company are used interchangeably between segments, and hence the assets and liabilities of the Company are currently treated as inseparable.

(b) Segment Revenue and Expense:

The Revenue and direct cost (including the payroll cost of all the employees and consultants which can be attributed to the revenue), excepting the unallocable costs like personnel cost for the supporting services, depreciation, operating expenditure, interest income on deposits, provision for contingencies and income tax, are directly attributed to the respective segments.

23.11 Provision and Contingent liabilities

The Company creates a provision when there is a present 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. 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. Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

Notes to Consolidated Financial Statements for the year ended 31 March 2022:

24. Related Party Transactions:

During the current financial year, the Company has entered some transactions, which can be deemed as related party transactions. All these matters have been approved by the Board and the Govt. of India, wherever necessary.

Related Party Disclosures:

S.No	Name of the Related Party	Nature of Relationship
1	CES Information Technologies Private Limited (CES IT)	Indian Subsidiary Company
2	CES Global IT Solutions Private Limited	Indian Subsidiary Company
3	CES Technology Services Private Limited	Indian Subsidiary Company
4	CES USA Inc.	Foreign Subsidiary
5	CES Global LLC	Stepdown Foreign Subsidiary
6	CES Enterprise LLC	Stepdown Foreign Subsidiary
7	Ample IT Services LLC	Stepdown Foreign Subsidiary
8	CES Infotech Limited	Stepdown Foreign Subsidiary
9	Infra Master Private Limited	Common Directors & Shareholding
10	CES Information Systems private Limited	Common Directors & Shareholding
11	Sri. Mohana Rao Kancharla	Whole Time Director
12	Sri. Srinivas Raju Kucherlapati	Chief Financial Officer
13	Sri. Suraj Kumar Garg	Company Secretary & Compliance Officer

Related Party Transactions with Key Managerial Personnel:

S.No	Name of the Related Party	Nature of Relation	Nature of Transaction	2021-22 (In Lakhs)	2020-21 (In Lakhs)
1	Mr.Mohana Rao Kancharla	Director	Remuneration	18.81	18.00
2	Mr.Srinivas Kucherlapati	CFO	Remuneration	19.73	18.88
3	Mr.Suraj Kumar Garg	Company Secretary	Remuneration	4.56	-

25. The management has initiated the process of identifying enterprises which have provided services to the company, and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. The company has not received any intimation from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.
26. The Companies operations predominantly relate to providing IT Services in two primary business segments viz. IT Services and IT Enabled Services (ITES). The Company considers the business segment as the Primary Segment and Geographical Segment based on the location of the customers as the Secondary Segment. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments. Income and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment, while the remainders of costs are apportioned on an appropriate basis. Certain expenses are not specifically allocable to individual segments as underlying services are used interchangeably. The Company therefore believes that it is not practical to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as unallocable and directly charged against total income. The assets of the Company are used interchangeably between segments, and the management believes that it is currently not practical to provide segment disclosures relating to total assets and liabilities since a meaningful segregation is not possible.

BUSINESS SEGMENTS:

(Amount In Lakhs)

Profit and Loss Statements for the year ended 31st March 2022	IT Services	IT Enabled Services	Total
Revenues	16,259.98	23,085.09	39,345.07
Direct Expenses	10,561.67	7,036.26	17,597.92
Gross Income	5,698.32	16,048.83	21,747.15
Less: Un-allocated Expenses			17,754.25
Add: Interest & Other Income			718.51
Net Profit Before Taxes			4,711.41
Income Taxes			1,153.78
Net Profit After Taxes			3,557.63

GEOGRAPHICAL SEGMENTS:

(Amount In Lakhs)

Profit and Loss Statements for the year ended 31 st March 2022	USA	DOMESTIC	Total
Revenues	39,244.28	100.79	39,345.07
Direct Expenses	17,549.08	48.84	17,597.92
Gross Income	21,695.20	51.95	21,747.15
Less: Un-allocated Expenses			17,754.25
Add: Interest & Other Income			718.51
Net Profit Before Taxes			4,711.41
Income Taxes			1,153.78
Net Profit After Taxes			3,557.63

27.Statement of Net Assets and Profit or Loss attributable to owners and Minority Interest:

Name of the Entity	Net Assets, i.e Total assets minus Total Liabilities		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit	Amount
		(Amount In Lakhs)		(Amount In Lakhs)
CES Limited	49.68%	8,195.52	33.41%	1,015.16
Indian Subsidiaries:				
CES Information Technologies Pvt Ltd.	15.67%	2,585.50	20.04%	609.00
CES Global IT Solutions Pvt Ltd.	6.76%	1,115.20	8.11%	246.43
CES Technology Services Pvt Ltd.	1.29%	211.98	0.33%	10.12
Foreign Subsidiaries:		-		-
CES USA Inc.	26.60%	4,387.89	38.11%	1,158.11
TOTAL		16,496.10		3,038.83
Adjustments arising out of consolidation		(348.90)		-
Minority Interest				
i) Indian Subsidiaries:				
CES Information Technologies Pvt Ltd.		(775.35)		(182.70)
CES Global IT Solutions Pvt Ltd.				
CES Technology Services Pvt Ltd.				
ii) Foreign Subsidiary:				
CES USA Inc.		(305.35)		(32.05)
Consolidated Net Assets/Profit after Tax		15,066.50		2,824.07

28. Disclosure in accordance with the IND AS 19 on Employee Benefits

a) Defined Benefit Plan-Gratuity

Particulars	Amount In Lakhs.
Present Value of Obligations at the Beginning	541.89
Current Service Cost	230.27
Interest Cost	36.47
Benefits paid	(26.16)
Actuarial (Gain)/Loss	217.99
Present Value of Obligations at the end of the year	1,000.46

b) The components of net gratuity costs are reflected below

	Amount In Lakhs.
Service Cost	230.27
Interest Cost	36.47
Net Actuarial Gain/(Loss) recognised in the year	(217.99)
Net gratuity costs	484.73

c) Following are the Principal Actuarial Assumptions used at the balance sheet date:

Particulars	Gratuity
Discount Rate	7.33-7.37%
Compensation Escalation Rate	10.00%

d) Defined Benefit Plan-Leave Encashment

Particulars	Amount In Lakhs.
Present Value of Obligations at the Beginning	292.24
Current Service Cost	191.78
Interest Cost	10.78
Benefits paid	(284.08)
Actuarial (Gain)/Loss	302.04
Present Value of Obligations at the end of the year	512.76

e) The components of net leave encashment costs are reflected below

	Amount In Lakhs.
Service Cost	191.78
Interest Cost	10.78
Net Actuarial Gain/(Loss) recognised in the year	(302.04)
Net leave encashment costs	504.60

f) Following are the Principal Actuarial Assumptions used at the balance sheet date:

Particulars	Leave Encashment
Discount Rate	7.33-7.37%
Compensation Escalation Rate	10.00%

29. Calculation of EPS as per the Ind AS - 33 for the year ending 31 March 2022.

	In Lakhs
Profit available to the equity shareholders	3,557.63
Weighted average number of shares outstanding	364
Basic Earnings per Share	9.77
Diluted Earnings per Share	9.77

30. Previous year figures have been regrouped / reclassified wherever necessary to suit the current year's layout.

SIGNATURE TO NOTES 1 To 30

As per our report of even date
For P C N & Associates,
Chartered Accountants
Firm Registration No. 016016S

for and on behalf of the Board of Directors of
CES LIMITED

K. Gopala Krishna
Partner
Membership No. 203605

Mohana Rao Kancharla
Director

Rama Krishna S
Director

Place: Hyderabad
Date: 30th May 2022

Srinivas Kucherlapati
Chief Financial Officer

Suraj Kumar Garg
Company Secretary



CES Limited

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Ramky Selenium Building, Financial Dist,
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