



CMMI Level 5 Company

CES Limited

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

Date: 28-05-2022

To
The Corporate Relations Department
BSE Limited
Phiroz Jeejeebhoy Towers,
25th Floor,
Dalal Street,
Mumbai – 400001

Dear Sir/Madam,

Sub: Submission of documents required for approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, (LODR Regulations) for the Scheme of Arrangement.

With reference to the above subject and pursuant to Regulation 37 and other applicable provisions, if any, of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we wish to inform you that a meeting of the Board of Directors of the Company was held on Monday, 16th May of 2022, wherein they considered and approved the draft Scheme of Arrangement, after considering the recommendations proposed by the audit committee and Independent Directors, on the Draft Scheme of Arrangement together with Valuation Report issued by Registered Valuer, Fairness Opinion by Merchant Banker for the proposed Scheme of Arrangement and other documents as prescribed by SEBI Master Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, all other SEBI circulars as applicable for Scheme of Arrangement and pursuant to other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act 2013, etc., subject to such approvals as may be required as per various regulations and enactments as may be applicable from SEBI, Stock Exchange, Shareholders, Creditors, other regulatory authorities and the National Company Law Tribunal.

In this regard the Company is submitting the documents as mentioned below for the consideration of the Stock exchange and SEBI:

Phone: +91 (40) 4040-7070 | Fax No: +91 (40) 4010-2456
CIN: L55100TG1985PLC045963



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Sr. No	Documents to be submitted along with application under Regulation 37 of the LODR Regulations	Page Nos.
1.	Checklist	2-7
2.	Certified true copy of the resolution passed by the Board of Directors of the company approving the scheme.	8-12
3.	Certified copy of the draft Scheme of Amalgamation / Arrangement, etc. proposed to be filed before the NCLT.	13-40
4.	<p>Valuation report from Registered Valuer, as applicable, as per Para (A)(4) of Part I of SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 ["SEBI Master Circular"]. The valuation report shall be as per the format given in Annexure I.</p> <p>Confirmation from the listed entity signed by Company Secretary/ Compliance Officer stating that:</p> <ol style="list-style-type: none"> No material event impacting the valuation has occurred during the intervening period of filing the scheme documents with Stock Exchange and period under consideration for valuation. Declaration/ details on any past defaults of listed debt obligations of the entities forming part of the scheme <p>Note: As per the SEBI Master Circular - Valuation report is not required in cases where there is no change in the shareholding pattern of the Listed entity/resultant company.</p> <p>We have obtained Share entitlement Report from registered valuer and the same is enclosed herewith.</p>	41-59
5.	<p>Report from the Audit Committee recommending the draft scheme taking into consideration, inter alia, the valuation report at sr. no. 3 above. As per Para (A)(2)(c) of Part I of SEBI Master Circular.</p> <p>The Audit Committee report shall also comment on the following:</p> <ul style="list-style-type: none"> Need for the merger/demerger/amalgamation/ arrangement 	60-65



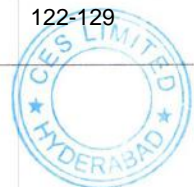
K Mohan Rao

	<ul style="list-style-type: none"> • Rationale of the scheme • Synergies of business of the entities involved in the scheme • Impact of the scheme on the shareholders. • Cost benefit analysis of the scheme. 	
6.	Fairness opinion by Independent SEBI Registered Merchant Banker as per Para (A)(2)(d) of Part I of SEBI Master Circular.	66-71
7.	Shareholding pattern of all the Companies pre and post Amalgamation / Arrangement as per the format provided under Regulation 31 of the LODR Regulations,	72-91
8.	Shareholding pattern of all the Companies pre and post Amalgamation / Arrangement in Word Format as given in Annexure II	92-97
9.	Pre and Post Amalgamation/ Arrangement number of Shareholders in all the companies in the format as provided in Annexure III	98-98
10.	<p>Audited financials of the transferee/resulting and transferor/demerged companies for the last 3 financial years (financials not being more than 6 months old of unlisted company) as per Annexure IV.</p> <p>Please note that for existing Listed Company, provide the last Annual Report and the audited / unaudited financials of the latest quarter (where it is due) accompanied mandatorily by the Limited Review Report of the auditor.</p>	99-108
11.	Statutory Auditor's Certificate confirming the compliance of the accounting treatment etc. as specified in Para (A)(5) of Part I of SEBI Master Circular, as per the format given in Annexure I of said SEBI Master circular. Format given in Annexure V.	109-112
12.	Detailed Compliance Report as per the format specified in Annexure III of SEBI Master Circular duly certified by the Company Secretary, Chief Financial Officer and the Managing Director, confirming compliance with various regulatory requirements specified for schemes of arrangement and all accounting standards as per Para (A)(2)(h) of Part I of SEBI Master Circular (format attached as Annexure VI).	113-115
13.	Report from the Committee of Independent Directors	



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	recommending the draft scheme taking into consideration, inter alia, that the scheme is not detrimental to the shareholders of the listed entity, as per Para (A)(2)(i) of Part I of SEBI Master Circular	116-120
14.	Complaint report as per Annexure II of SEBI Master Circular (To be submitted within 7 days of expiry of 21 days from the date of uploading of Draft Scheme and related documents on Exchange's website). Format given in Annexure VII)	Will be submitted after expiry of 21 days in the prescribed format.
15.	If as per the company, approval from the Public shareholders through e-voting, as required under Para(A)(10)(a) of Part I of SEBI Master Circular, is not applicable then as required under Part I (A) (10)(c) of said SEBI circular, submit the following: <ul style="list-style-type: none"> a) An undertaking certified by the auditor clearly stating the reasons for non-applicability of Para 10(a). b) Certified copy of Board of Director's resolution approving the aforesaid auditor certificate. 	Approval from the Public Shareholders through e-voting as required under Para (A)(10)(a) of Part I of SEBI Master Circular will be obtained. Hence the requirement under Part I (A) (10)(c) of said SEBI circular will not apply.
16.	If pursuant to scheme the allotment of shares is proposed to be made to a selected group of shareholders or to the shareholders of unlisted companies, pricing certificate from the Statutory Auditor / Practicing CA / Practicing CS of the listed company as per Provisions of SEBI(ICDR) Regulations is to be provided. [Kindly refer Reg.158 of SEBI (ICDR) Regulations. The relevant date for determining the price shall be the date of approval of the scheme by the BOD of the company.]	The Scheme contemplates allotment of shares to all the existing shareholders in the proportion of their holding the listed Company.
17.	Name of the Designated Stock Exchange (DSE) for the purpose of coordinating with SEBI. Certified true copy of the resolution passed by the Board of Directors, in case BSE is DSE.	121-121
18.	Brief details of the transferee/resulting and transferor/demerged companies as per format enclosed at	122-129



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	Annexure VIII.	
19.	Brief details of the Board of Directors and Promoters of transferee/resulting and transferor/demerged companies as per format enclosed at Annexure IX	130-131
20.	Net-worth certificate from Auditor / PCA/ PCS (excluding Revaluation Reserve) together with related workings pre and post scheme for the transferee and / or resulting company.	132-135
21.	Capital evolution details of the transferee/resulting and transferor/demerged companies as per format enclosed at Annexure X.	136-136
22.	Confirmation by the Managing Director/ Company Secretary as per format enclosed as Annexure XI.	137-138
23.	Annual Reports of all the listed transferee/resulting/demerged/etc. companies involved and audited financial of all the unlisted transferor/demerged/resulting/etc. companies for the last financial year.	139-309
24.	<p>a) Processing fee (non-refundable) will be payable to BSE as below, through <u>Online Payment Gateway (via Net Banking Facility) in Listing Centre portal-</u> Details given in Annexure XII</p> <p>Rs.4,00,000/- plus GST as applicable for Main Board Companies.</p> <p>Rs.2,00,000/- plus GST as applicable for SME Companies.</p> <p>b) Processing fee (non-refundable) payable to SEBI will be as below, through RTGS/NEFT/IMPS as per details given in Annexure XII or through DD <u>favoring 'Securities and Exchange Board of India' payable at Mumbai'</u></p> <p>As per amendment in Regulation 37, the listed entity shall pay a fee to SEBI at the rate of 0.1% of the paid-up share capital of the listed / transferee / resulting company, whichever is higher, post sanction of the proposed scheme, subject to a cap of Rs.5,00,000.</p>	310-310



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24.	In case of scheme of demerger, additional documents as per Annexure XIII are to be submitted	311-313
25.	In case NCRPS / NCDs are proposed to be issued to the shareholders of the listed entity and are to be listed, the company shall submit an undertaking signed by CS / MD of the company as per format attached in Annexure XIV confirming compliance with the requirements Para (A)(12)(A) of Part I of SEBI Master Circular.	NOT APPLICABLE
26.	In case a new unlisted company is seeking listing pursuant to scheme of arrangement but at least 25% of the post scheme paid up capital of the unlisted company does not comprise of shares allotted to the public shareholders in the listed transferor / demerged entity, the company shall submit the compliance with the Proviso to Para (A)(1)(b) of Part II of SEBI Master Circular by CS/MD and statutory auditor of the company.	NOT APPLICABLE
27.	If there are any pending dues / fines / penalties imposed by SEBI, Stock Exchanges and Depositories, submit a ' Report on the Unpaid Dues ' which shall contain the details of such unpaid dues in the format given in Annexure IV of SEBI Master circular which is also attached as Annexure XV [Note: In case there are no pending dues as mentioned above, please confirm the same]	314-314
28.	No objection certificate (NOC) from lending scheduled commercial banks/ financial institutions/ debenture trustees OR An undertaking from the listed entity signed by Managing Director/ Company Secretary/ Compliance Officer stating that: We hereby confirm that we have initiated the process of obtaining the No Objection Certificate from the lending scheduled commercial banks/financial institutions/debenture trustees as required under Para A (2) (k) of Part I of SEBI Master Circular dated November 23, 2021 and we shall submit the same with the Exchange before the receipt of the No-objection letter from stock exchange in terms of Regulation 37(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	315-315



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29.	Name & Designation of the Contact Person Telephone Nos. (landline & mobile) Email ID.	316-316
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We request you to consider the above documents and kindly issue No Objection Certificate for the said scheme of arrangement between CES Limited and CES Technology Services Private Limited and their respective shareholders and creditors.

Thanking You,
Yours faithfully

For **CES LIMITED.**


Mohana Rao Kancharla
Wholesale Director
DIN: 00004288





CMMI Level 5 Company

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

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF
DIRECTORS AT THEIR MEETING HELD ON MONDAY, 16TH MAY OF 2022**

CONSIDER AND APPROVE THE DRAFT SCHEME OF ARRANGEMENT

RESOLVED THAT pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 framed thereunder (collectively the "Companies Act") and in accordance with the Memorandum of Association of the Company and subject to the approval of the Hon'ble National Company Law Tribunal and any other statutory authorities, as the case may be required, the Scheme of Arrangement ('the Scheme'), between CES Limited ("the Demerged Company" or "the Company") and CES Technology Services Private Limited ("the Resultant Company") be and is hereby approved.

RESOLVED FURTHER THAT the Scheme of Arrangement under Section 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 framed thereunder (collectively the "Companies Act") and in accordance with the Memorandum of Association of the Company as placed before the Board and initialled by the Chairman for identification purposes and inter alia be and is hereby noted and approved:



K Mohan Rao

Phone: +91 (40) 4040-7070 | Fax No: +91 (40) 4010-2456
CIN: L55100TG1985PLC045963



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Selenium Building,
Nanakramguda, Gachibowli,
Hyderabad - 500032.

RESOLVED FURTHER THAT Mr. Mohana Rao Kancharla, Wholetime Director and Mr. Suraj Kumar Garg, Company Secretary be and are hereby severally authorised to take all necessary steps, if so and to the extent applicable and required, for

- (a) Signing and filing of application to the National Company Law Tribunal seeking directions as to dispensing with the meetings of the shareholders / creditors of the Company and where necessary to take steps to convene and hold such meetings as per the directions of the Tribunal;
- (b) Signing and filing of petition for confirmation of the Scheme by the National Company Law Tribunal or such other competent authority;
- (c) To file affidavits, petitions, pleadings, applications or any other proceedings incidental or deemed necessary or useful in connection with the above proceedings and to engage Counsels, Advocates, Solicitors, Chartered Accountants and other professionals and to sign and execute Vakalatnama wherever necessary, and sign and issue public advertisements and notices;
- (d) Obtaining approval/consent/affidavits from such other authorities and parties including the shareholders, creditors, lenders as may be considered necessary, to the said Scheme;
- (e) To make an application to the concerned stock exchanges and statutory authorities including Securities Exchange Board of India, Registrar of Companies, Regional Director, etc., as may be required.
- (f) To settle any question or difficulty that may arise with regard to the implementation of the above Scheme, and to give effect to the this resolution;



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- (g) To make any alterations/ changes to the Scheme as may be expedient or necessary which does not materially change the substance of the Scheme; particularly for satisfying the requirements or conditions imposed by the Central Government or the National Company Law Tribunal or any other authority;
- (h) To sign all applications, petitions, documents, relating to the Scheme or delegate such authority to another person by a valid Power of Attorney; and
- (i) To do all acts and things as may be considered necessary and expedient in relation thereto.

RESOLVED FURTHER THAT Mr. Mohana Rao Kancharla, Wholetime Director and Mr. Suraj Kumar Garg, Company Secretary be and are hereby severally authorised to sign any copy of this resolution as a certified true copy thereof and furnish the same to whomsoever concerned."

#Certified true copy#

For **CES LIMITED.**

K Mohana Rao

Mohana Rao Kancharla

Wholetime Director

DIN: 00004288

Date: 16-05-2022

Place: Hyderabad

Phone: +91 (40) 4040-7070 | Fax No: +91 (40) 4010-2456
CIN: L55100TG1985PLC045963



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE MEETING OF THE BOARD OF DIRECTORS OF CES TECHNOLOGY SERVICES PRIVATE LIMITED HELD ON 16TH MAY, 2022 AT HYDERABAD

APPROVE DRAFT SCHEME OF ARRANGEMENT

"RESOLVED THAT pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 framed thereunder (collectively the "Companies Act") and in accordance with the Memorandum of Association of the Company and subject to the approval of the Hon'ble National Company Law Tribunal and any other statutory authorities, as the case may be required, the Scheme of Arrangement ('the Scheme'), between CES Limited ("the Demerged Company") and CES Technology Services Private Limited ("the Resultant Company" or "the Company") be and is hereby approved.

RESOLVED FURTHER THAT the Scheme of Arrangement under Section 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 framed thereunder (collectively the "Companies Act") and in accordance with the Memorandum of Association of the Company as placed before the Board and initialed by the Chairman for identification purposes and inter alia be and is hereby noted and approved:

RESOLVED FURTHER THAT Mr. Mohana Rao Kancharla, Director of the Company be and is hereby authorised to take all necessary steps, if so and to the extent applicable and required, for

- (a) Signing and filing of application to the National Company Law Tribunal seeking directions as to dispensing with the meetings of the shareholders / creditors of the Company and where necessary to take steps to convene and hold such meetings as per the directions of the Tribunal;

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- (b) Signing and filing of petition for confirmation of the Scheme by the National Company Law Tribunal or such other competent authority;
- (c) To file affidavits, petitions, pleadings, applications or any other proceedings incidental or deemed necessary or useful in connection with the above proceedings and to engage Counsels, Advocates, Solicitors, Chartered Accountants and other professionals and to sign and execute vakalatnama wherever necessary, and sign and issue public advertisements and notices;
- (d) Obtaining approval/consent/affidavits from such other authorities and parties including the shareholders, creditors, lenders as may be considered necessary, to the said Scheme;
- (e) To settle any question or difficulty that may arise with regard to the implementation of the above Scheme, and to give effect to the this resolution;
- (f) To make any alterations/ changes to the Scheme as may be expedient or necessary which does not materially change the substance of the Scheme; particularly for satisfying the requirements or conditions imposed by the Central Government or the National Company Law Tribunal or any other authority;
- (g) To sign all applications, petitions, documents, relating to the Scheme or delegate such authority to another person by a valid Power of Attorney; and
- (h) To do all acts and things as may be considered necessary and expedient in relation thereto.

RESOLVED FURTHER THAT Mr. Mohana Rao Kancharla, Director of the Company be and is hereby authorized to sign any copy of this resolution as a certified true copy thereof and furnish the same to whomsoever concerned."

#CERTIFIED TO BE TRUE COPY#

For CES Technology Services Private Limited


Mohana Rao Kancharla
Wholetime Director
DIN: 00004288



Date: 16-05-2022
Place: Hyderabad

**SCHEME OF ARRANGEMENT
BETWEEN
CES LIMITED
(CIN L55100TG1985PLC045963)
(Demerged Company)
AND
CES TECHNOLOGY SERVICES PRIVATE LIMITED
(CIN U72200TG2010PTC067406)
(Resulting Company)
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
(UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013)**

PREAMBLE

(A) **CES LIMITED ("Demerged Company")**, a publicly listed Company having its equity shares listed on BSE Limited, has its registered office at Seventh Floor, Tower- A, Ramky Selenium Building, Plot No.31 & 32, Nanakramguda, Gachibowli, Hyderabad - 500032, Telangana, having Corporate Identification Number L55100TG1985PLC045963. Demerged Company is engaged into business of:

1. To carry on the business of exporters, importers, retailers, merchants, buyers, sellers, brokers, buying agents, selling agents, packers, re-packers, commission agents, factors, distributors, stockists, agents, traders and suppliers of and dealers in all classes and kinds of all or any chemicals (organic and/or inorganic, fire or heavy, their mixtures and formulation) its intermediates, pesticides and insecticides of all kinds including its formulations, jute, jute goods, jute cuttings, jute rejections, cotton, yarn wool, silk, handicraft, liax, hemp; rayon, nylon and other fibrous materials and manmade fibres, textile fabrics, ready-garments, food-grains, food-products, vegetable products, iron, steel, cement, paper, paper board, news print, straw board, hard board, tea, coffee, manures, fertilizers, electrical


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goods, sugar, sugarcane, molasses, plant and machinery, vehicles and other automobile spare parts, tractors and other agricultural implements, tyres, tubes, tyre cord sheets, rubber and rubber products, plastics and plastic products, leather products, foot wear, hides, skins, metals and minerals and all other goods made thereof, therefrom, electricals, chemicals, photographic, surgical and scientific equipment, instruments, goods and materials, corials, drugs linings, essence and pharmaceuticals, mineral and other water paints, pigments and varnishes, compounds, dye stuff, organic or mineral intermediates, paint and colour grinders, oxygen, hydrogen, nitrogen, carbonic acid, acetylene dissolved or otherwise and any other gasses or any compounds or by-products thereof; engines; electrodes; transformers; gas cylinders, containers, compressors, welding machines and other apparatuses and machinery to be used for or in connection with the consumption of gases directly or indirectly, proprietary articles of all kinds and for which generally to carry on business of merchants, traders, dealers, export houses of any goods, commodities and merchandise of any other description whatsoever as are incidental or conducive to the carrying on of all such business in India or abroad.

2. To manufacture either for its own use or for sale in India or for export outside India computer systems, computer peripherals and accessories, microchips, computer consumables like floppy disks/diskettes, hard disks, ribbons, continuous and non-continuous stationary etc., and such other products or things which may be considered either as integral part of a computer system or as an optional attachment or supplement thereto.
3. To undertake the designing and development of systems and application software either for its own use or sale in India or for export outside India and to design and develop such system and application software for or on behalf of manufacturers, owners and users of computer systems and digital/electronic equipment, in India or elsewhere in the world and to undertake consultancy service related to preparation and maintenance of accounting, statistical, scientific or mathematical information and reports, data processing, preparing or editing, storing, processing, transmitting and analysing informatics and data of every kind and description, systems



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analysis and machine service for solving or aiding commerce, industry, scientific and research problems and for all related businesses.

4. To set up electronic data processing centres and to carry on the business of data processing, work processing, software consultancy, systems studies, management consultancy, techno-economic feasibility studies of projects, design and development of management information systems, registrars to the issue, share/debenture issues management and/or registration and share/debenture transfer agency.
5. To undertake the business as agents, stockists, distributors, franchisee holders or otherwise for trading or dealing in computer systems, peripherals, accessories, parts and computer consumables like floppy disks, hard disks, continuous and non-continuous stationary, ribbons and other allied products and things, standard software packages and to undertake and execute feasibility studies for computerization, setting up of all kinds of computer systems and digital/electronic equipment and the selection, acquisition and installation thereof whether for the company or its customers or other users.
6. To conduct, sponsor or otherwise participate in training programmes, courses, seminars and conferences in respect of any company and for spreading or imparting the knowledge and use of computers and computer programming languages, including the publication of books, journals, bulletins, study/course materials, circulars and newsletters and to provide Computer Aided Design (CAD), Computer Aided Manufacturing (CAM) solutions and conversion of hard format material into computer related data formats.

(B) **CES TECHNOLOGY SERVICES PRIVATE LIMITED** ("Resulting Company"), a private company which is wholly owned subsidiary of Demerged Company, has its registered office at South Wing, B Division, Fourth Floor, Tower- A Ramky Selenium Building, Nanakramguda, Gachibowli, Hyderabad - 500032, Telangana, having Corporate Identification Number U72200TG2010PTC067406. Resulting Company is engaged into business of:



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1. To develop telecom applications and software which operates securely both in public and private domains.
2. To provide support solutions to telecom applications and live projects.
3. To provide video, unified communications, networking, telecom integration with third party applications, virtualization and elastic cloud technologies for telecom applications.
4. To carry on the business of all types of information technology enabled products and services such as Backoffice operations, Engineering and Design, Geographic information systems processing, Legal databases, Payroll and revenue accounting, remote maintenance services, website services, business process outsourcing in Human resources, finance and accounting, customer relationship management, employee relocation, content management and procurement outsourcing.

RATIONALE FOR THE SCHEME OF ARRANGMENT

- i) The Demerged Company predominantly is into the business IT and ITES.
- ii) The Scheme in the present case provides for demerger of ITES undertaking including with all the related assets and liabilities of Demerged Company into Resulting Company and also delisting of the shares of the Demerged Company from the stock exchange(s).
- iii) The Demerged Company has excellent forays into the markets and with an objective to increase their market share; the promoters seek investment by external investors/partners. The Board of Directors of the Demerged Company wants to delink the ITES business completely from all other activities hence considered prudent to demerge ITES business of the Demerged Company.
- iv) The Demerged Company is a publicly listed Company having its equity shares listed on BSE Limited. Though the Demerged Company is listed Company the demerged company has only 26 shareholders. Further the shares of the demerged company are not frequently traded. As the shares of

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the demerged company are not frequently traded the shareholders of the demerged company could not get the benefit of listing the shares on the Stock Exchange, however the demerged Company is incurring huge cost in compliance, being a listed Company, further the demerged company also contemplate to expand the remaining business for which the demerged company may require to raise capital from investors. Hence, the promoters seek to delist the shares of the demerged Company from Stock Exchanges, which will not only help the demerged company to reduce the cost but also make it easy for the demerged company to raise funds that are required for expansion of the remaining business of the demerged company.

- v) The Scheme provides for segregation of the assets, liabilities (including resources deployed) related to the divisions being vested by way of demerger and also provide for delisting of the share of the demerged company from stock exchanges.
- vi) Such segregation and delisting would result in having a structure ready for external investments in Demerged Company and the Resulting Company.

The Board of Directors of the Demerged Company and the Resulting Company are of the opinion that the Scheme of Arrangement would benefit the shareholders, employees and other stakeholders of the Demerged Company and the Resulting Company.

BENEFITS OF THE SCHEME OF ARRANGEMENT

- i) The Demerged Business and Remaining Business carried on by Demerged Company have significant potential for growth. The nature of risk and competition involved in each of these units are distinct from other and consequently Demerged Business and Remaining Business is capable of attracting a different set of business leaders, employees, investors, strategic partners, lenders and other stakeholders. The Board of Directors of the Demerged Company felt that the Demerged Business and Remaining Business should be bifurcated and should have independent entities for each undertaking.

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- ii) The ITES business has huge potential and needs a focused management for each activity and hence it is felt necessary to carry on the business of ITES in a separate entity.
- iii) In order to have greater and complete focus to the operations of each of Demerged Business and Remaining Business and evolve strategies for growth and expansion of activities of Demerged Business and Remaining Business separately, apart from attracting investors into each of the Demerged Business and Remaining Business, Demerged Company proposes to re-organize and segregate, by way of de-merger, its business.
- iv) Demerged Business and Remaining Business have tremendous growth and profitability potential, especially the Remaining Business is at a stage where they require focused leadership and management attention.
- v) It is believed that the proposed segregation will create enhanced value for all stakeholders and allow a focused strategy in operations, which would be in the best interest of Demerged Company, its all stakeholders, creditors and all persons connected with Demerged Company.
- vi) It is believed that the delisting of shares of the Demerged Company from the Stock Exchange(s) will reduce the compliance cost incurred by the Demerged Company and will also make it easy for the demerged company to raise finances that are required for expansion of the remaining business of the demerged company.
- vii) The Scheme of Arrangement also contemplates the cancellation of shares held by the Demerged Company in Resulting Company thereby reduction of share capital of the Resulting Company and also cancellation of the investments made by the Demerged Company in the Resulting Company.
- viii) The Scheme of Arrangement also contemplates the reduction of the share capital of the Demerged Company.
- ix) The Scheme of Arrangement will also provide scope for independent collaboration and expansion without committing the existing organization in its entirety.

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- x) With aforesaid objective, it is proposed to De-merge, the Demerged Company's ITES business from the Demerged Company to Resulting Company and also delist the shares of the demerged company from the stock exchanges.
- xi) The Board of Directors of the Demerged Company and Resulting Company are of the opinion that the Scheme of Arrangement would benefit the shareholders, employees and other stakeholders of the Demerged Company and Resulting Company.

This Scheme of Arrangement is divided into the following parts: -

Part I: Definitions of the terms used in this Scheme of Arrangement, Specified Date and the Share Capital.

Part II: Dealing with the vesting of ITES business of Demerged Company into Resulting Company, Delisting of Shares of the Demerged Company from the stock exchanges and cancellation of shares held by Demerged Company in Resulting Company and corresponding reduction in capital of the Resulting Company and cancellation of investments to that extent in the balance sheet of the Demerged Company. Also deals with reduction of Capital of the Demerged Company and restructuring of the Authorised Share Capital of the Demerged Company and Resulting Company.

Part III: General Terms and Conditions that would be applicable to the Scheme.

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PART – I

1. DEFINITIONS

In this Scheme (as defined hereinafter), unless repugnant to the meaning or context thereof, the following expressions shall have the meaning mentioned herein below:

- 1.1 **“Act” or “The Act”** means the Companies Act, 2013 as in force from time to time;
- 1.2 **“Appointed Date”** means, for the purpose of this Scheme 1st April 2022 and subject to being approved by the National Company Law Tribunal, Hyderabad for the State of Telangana
- 1.3 **“Demerged Business”** means the ITES business as on 31st March, 2022 of the Demerged Company (as modified and altered from time to time to the Specified Date), including but not limited to debts, liabilities, duties and obligations including reserves, if any, appertaining or allocated to the ITES business of the Demerged Company as on the Appointed Date and more particularly described at Schedule:
- 1.4 **“Demerged Company”** means CES Limited, a publicly listed Company having its equity shares listed on BSE Limited, has its registered office at Seventh Floor, Tower- A, Ramky Selenium Building, Plot No.31& 32, Nanakramguda, Gachibowli, Hyderabad - 500032, Telangana, having Corporate Identification Number L55100TG1985PLC045963;
- 1.5 **“Specified Date” or “Effective date”** means the date on which the authenticated copies or certified copies of the Orders of National Company Law Tribunal, Hyderabad Bench for the State of Telangana under Section 230 to 232, sanctioning the Scheme are filed with the Registrar of Companies;
- 1.6 **“NCLT”** means the National Company Law Tribunal for the State of Telangana;
- 1.7 **“Remaining Business”** means, all other businesses, divisions, assets and liabilities of the Demerged Company other than the Demerged Business as defined in sub clause 1.3 above.

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1.8 **“Record Date”** means the date to be fixed jointly by the Board of Directors of Demerged Company and Resulting Company for the purposes of determining the shareholders of Demerged Company to whom consideration would be given for vesting of the Demerged Business, in accordance with this Scheme (as defined hereinafter);

1.9 **“Resulting Company”** means CES Technology Services Private Limited, a private company, has its registered office at South Wing, B Division, Fourth Floor, Tower- A Ramky Selenium Building, Nanakramguda, Gachibowli, Hyderabad - 500032, Telangana, having Corporate Identification Number U72200TG2010PTC067406;

1.10 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Arrangement involving demerger of ITES business of Demerged Company into Resulting Company and delisting of the shares of the Demerged Company from stock exchange(s);

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, byelaws, as the case may be or any statutory modification or re-enactment thereof from time to time.

1.11 **Stock Exchange:** Stock Exchange shall mean BSE Limited where the shares of the Company are listed.

2. **DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT shall be effective from the Appointed Date but shall be operative from the Specified Date and shall be deemed to have been effective from appointed date.

3. **SHARE CAPITAL**

3.1 The Present Capital Structure of Demerged Company is as under:

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Particulars	Amount (Rs.)
Authorised Capital	
3,65,00,000 equity shares of Rs. 10/- each	36,50,00,000
Issued Subscribed and Paid-up Capital	
3,64,00,000 equity shares of Rs. 10/- each	36,40,00,000

3.2 The Present Capital Structure of Resulting Company is as under:

Particulars	Amount (Rs.)
Authorised Capital	
10,000 equity shares of Rs. 10/- each	1,00,000
Issued, Subscribed and Paid-up Capital	
10,000 equity shares of Rs. 10/- each	1,00,000

PART – II

4. VESTING OF THE DEMERGED BUSINESS

- 4.1 With effect from the Appointed Date and upon the Scheme becoming effective, the Demerged Business of Demerged Company consisting of ITES business shall, under the provisions of Section 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to the Resulting Company as a going concern in accordance with Section 2(19AA) of the Income Tax Act, 1961, so as to become, as and from the Appointed Date, the assets and liabilities of the Resulting Company and there shall be vested in the Resulting Company all the rights, titles, interests or obligations of the said Demerged Business therein and shall be free from all encumbrances.

(Detail of the Assets and Liability to be transferred to Resulting Company are annexed as Schedule-1)

- 4.2 With effect from the Appointed Date and upon the Scheme becoming effective, all the assets relating to the Demerged Business of Demerged Company either movable in nature or incorporeal property or are otherwise

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capable of transfer by manual delivery or by endorsement and delivery, shall be so transferred, delivered or endorsed and delivered, as the case may be, by the Demerged Company, and shall upon transfer become the property and an integral part of the Resulting Company. In respect of such of the said assets other than those referred to hereinabove, the same shall, without any further act, instrument or deed, be transferred to, and vested in, and/or be deemed to be transferred to and vested in the Resulting Company.

- 4.3 For avoidance of doubt, upon the Scheme becoming effective, all the rights, title, interest and claims of the ITES business of the Demerged Company in relation to the Demerged Business shall, pursuant to Section 230 to 232 of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company. The Demerged Company shall, wherever necessary, execute all necessary documents at its cost, to effect and evidence such transfer and vesting of assets, rights, licences etc., covered in this Scheme, more particularly under clauses 4.1 to 4.4 hereof, and make necessary applications to the authorities concerned independently and/or jointly with the Resulting Company for such transfer and vesting.
- 4.4 For the purpose of giving effect to the order passed under Sections 230 to 232 in respect of this Scheme, the Resulting Company shall at any time pursuant to the orders on this Scheme be entitled to get the records of the change in the title and appurtenant legal right(s) upon the vesting of such assets of the Demerged Business of Demerged Company in the Resulting Company.
- 4.5 All liabilities and obligations attributed to the ITES business /Demerged Business of Demerged Company, including its secured/unsecured loans, if any, taken over by the Resulting Company, may be discharged by the Resulting Company by way of one-time settlement or in any other manner as the Resulting Company may deem fit. The un-secured loans outstanding of the ITES business /Demerged Business of Demerged Company and payable to the related parties as on the appointed date shall become the un-secured loans outstanding of the Resulting Company.

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- 4.6 The Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite agreement, confirmations or novations to which the Demerged Company will, if necessary, also be a party in order to give formal effect to the provisions of this Scheme, if it is so required or if it becomes necessary.

5. DELISTING OF SHARES FROM THE STOCK EXCHANGE(S):

Upon the Scheme of Arrangement being sanctioned by the Hon'ble NCLT, the shares of the Demerged Company shall stand delisted without any further act, deed or thing or without any other approval shall stand delisted from the stock exchanges and compliance of the regulations for delisting of shares shall be deemed to be exempted for the Demerged Company. The Demerged Company shall thereafter be an unlisted Company, and upon the intimation of the order of the Hon'ble NCLT the stock exchanges shall delist the shares from their exchanges as if the demerged company has voluntarily delisted its shares from the stock exchanges.

6. CONSIDERATION

- 6.1 In consideration for the de-merger of ITES business /Demerged Business of the Demerged Company, including the transfer and vesting thereof in the Resulting Company pursuant to Part II of the Scheme, the Resulting Company shall, without any further payment, issue and allot 1,82,00,000 Equity shares of Rs. 3/- each to the members of the Demerged Company who have consent for the Scheme of Arrangement in the proportion of their shareholding in the Demerged Company held by such member or his/her/its heirs executors, administrators or successors in the Demerged Company whose name is recorded in the register of members of the Demerged Company on the Record Date.

It is clarified that the Resulting Company shall allot 1 equity share of Rs. 3/- each for every two equity shares held by the members of the Demerged Company.




- 6.2 The aggregate of the face value of equity share capital issued by the Resulting Company in terms of Clause 6.1 above, shall be debited/credited to the amount representing the surplus of assets over liabilities of the ITES business /Demerged Business recorded in books of account and the balance amount shall for all purposes constitutes as part of the Capital Reserve of the Resulting Company.
- 6.3 The Equity Shares to be issued and allotted pursuant to Clause 6.1 shall in all respects, rank pari passu with the existing equity shares of the Resulting Company, save and except in relation to dividends, if any, to which they may be entitled to, as and from the Appointed Date.
- 6.4 No fractional certificates shall be issued by the Resulting Company in respect of the fractional entitlements, if any, to which the shareholders of the Demerged Company are entitled on the issue and allotment of equity shares by the Resulting Company in accordance with the scheme. The board of directors/committee of director of the Resulting Company respectively shall instead consolidate all such fractional entitlements to which the shareholders of Demerged Company may be entitled on issue and allotment of the equity shares of the Resulting Company as aforesaid and shall without any further application, act, instrument or deed, issue and allot such fractional entitlements directly to an individual trustee or a board of trustees or a corporate trustee (the trustee), who shall hold such fractional entitlements with all additions or accretions thereto in trust for the benefit of the shareholders to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such fractional entitlements in the market at such price or prices and at such time or times as the trustee may in its sole discretion decide, the net sale proceeds thereof and any additions and accretions, whereupon the Resulting Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Demerged Company in proportion to their respective fractional entitlements in Resulting Company.
- 6.5 The Resulting Company shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities for the issue

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and allotment by the Resulting Company of New Equity Shares to the members of the Demerged Company.

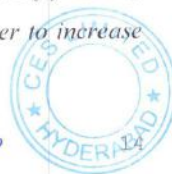
- 6.6 In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors or any committee thereof of the Demerged Company shall be empowered in appropriate cases, even subsequent to the Specified Date, as the case may be, to effectuate such a transfer in the Demerged Company, as if such changes in registered holder were operative as on the Specified Date, in order to remove any difficulties arising to the Demerged Company/Resulting Company of such shares.

7. RE-ORGANISATION AND REDUCTION OF CAPITAL OF DEMERGED COMPANY:

- 7.1 Upon the sanction of the Scheme of Arrangement and transfer of the Demerged Undertaking hereof the Authorised Share Capital of the Demerged Company shall be reorganised and shall stand at Rs.36,49,99,999/- (Rupees Thirty Six Crores Forty Nine Lakhs Ninety Nine Thousand Nine Hundred and Ninety Nine only) by simply filing the requisite forms with necessary forms along applicable fee and stamp duty and not separate procedure, instrument or deed shall be required. All the approvals and permissions as required under the Companies Act, 2013 should be deemed to have been obtained.
- 7.2 Consequently, the Memorandum of Association of the Demerged Company shall without any act, instrument or deed stand altered, modified and amended and clause V of the Memorandum of Association of the Demerged Company be replaced by the following clause:

"The Authorised Share Capital of the Company is Rs. 36,49,99,999/- (Rupees Thirty Six Crores Forty Nine Lakhs Ninety Nine Thousand Nine Hundred and Ninety Nine only) divided into 5,21,42,857 (Five Crores Twenty One Lakhs Forty Two Thousand Eight Hundred and Fifty Seven) Equity Shares of Rs.7/- (Rupees Seven only) each with a power to increase

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or reduce the capital from time to time or sub-divide or consolidate/or alter and allot with rights or privileges or priorities in payment of dividend or distribution of assets or otherwise over any of the shares subject to the provisions of the Companies Act, 2013."

- 7.3 It is clarified that the approval of the members of the Demerged Company to this Scheme shall be deemed to be their consent/approval also to the consequential alteration of the memorandum of association of the Demerged Company and the Demerged Company shall not be required to seek separate consent/approval of its shareholders/members for such alteration of the memorandum of association, as required under Section 13 and 61 and other applicable provisions of the Companies Act, 2013.
- 7.4 Upon the sanction of the Scheme of Arrangement and transfer of the Demerged Undertaking hereof and upon allotment of shares of the Resulting Company to the shareholders of the Demerged Company pursuant to clause 6.1 to 6.6 above, and the Scheme of Arrangement becoming effective the paid-up share capital of the be reduced from Rs. 36,40,00,000/- (Rupees Thirty Six Crores Forty Lakhs only) to Rs. 25,48,00,000/- by reducing the face value of equity share from Rs. 10/- to Rs. 7/- each. Consequently, the paid-up share capital of the Demerged Company after demerger shall stand at Rs.25,48,00,000/- divided into 3,64,00,000 equity shares of Rs. 7/- each.
- 7.5 Such reduction of Equity Share Capital of the Demerged Company as provided in the Clauses 7.4 above, shall be effected as an integral part of the Scheme of Arrangement itself as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital and the order of the National Company Law Tribunal sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction without the need on the part of the Demerged Company, to carry out any further act or deed. While approving the Scheme as a whole, the Shareholders of the Demerged Company shall have resolved and accorded the relevant consents as required under Section 66 of the Act or any other provisions of the Act.

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8. RE-ORGANISATION AND REDUCTION OF CAPITAL OF RESULTING COMPANY:

8.1 Upon the sanction of the Scheme of Arrangement and transfer of the Demerged Undertaking hereof the Authorised Share Capital of the Resulting Company shall be increased and reorganised from existing Rs. 1,00,000/- divided into 10,000 equity shares of Rs. 10/- each to Rs. 6,00,00,000/- divided into 2,00,00,000 equity shares of Rs. 3/- each by simply filing the requisite forms with necessary forms along applicable fee and stamp duty and not separate procedure, instrument or deed shall be required. All the approvals and permissions as required under the Companies Act, 2013 should be deemed to have been obtained.

8.2 Consequently, the Memorandum of Association of the Demerged Company shall without any act, instrument or deed stand altered, modified and amended and clause V of the Memorandum of Association of the Demerged Company be replaced by the following clause:

"The Authorised Share Capital of the Company is Rs. 6,00,00,000/- (Rupees Six Crores only) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs. 3/- (Rupees Four only) each with a power to increase or reduce the capital from time to time or sub-divide or consolidate or alter and allot with rights or privileges or priorities in payment of dividend or distribution of assets or otherwise over any of the shares subject to the provisions of the Companies Act, 2013."

8.3 It is clarified that the approval of the members of the Resulting Company to this Scheme shall be deemed to be their consent/approval also to the consequential alteration of the memorandum of association of the Resulting Company and the Resulting Company shall not be required to seek separate consent/approval of its shareholders/members for such alteration of the memorandum of association, as required under Section 13 and 61 and other applicable provisions of the Companies Act, 2013.





- 8.4 Upon the sanction of the Scheme of Arrangement and transfer of the Demerged Undertaking hereof and upon allotment of shares of the Resulting Company to the shareholders of the Demerged Company pursuant to clause 6.1 to 6.6 above, and the Scheme of Arrangement becoming effective 10,000 fully paid-up Equity Shares of Re.10/- each held by the Demerged Company in Resulting Company shall stand cancelled. Accordingly, the paid-up share capital of the Resulting shall stand reduced by Rs. 1,00,000/- and the paid-up share capital of the Resulting Company after allotment of shares and cancellation of shares already held by the Demerged Company, shall stand at Rs. 5,46,00,000 /- divided into 1,82,00,000 equity shares of Rs. 3/- each.
- 8.5 The above reduction of share capital will be effected by cancelling the existing shares held by Demerged Company and cancellation of investments in the balance sheet of the Demerged Company.
- 8.6 Such reduction of Equity Share Capital of the Resulting Company as provided in the Clauses 8.4 and 8.5 above, shall be effected as an integral part of the Scheme of Arrangement itself as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital and the order of the National Company Law Tribunal sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction without the need on the part of the Resulting Company, to carry out any further act or deed. While approving the Scheme as a whole, the Shareholders of the Resulting Company shall have resolved and accorded the relevant consents as required under Section 66 of the Act or any other provisions of the Act.

9. ACCOUNTING TREATMENT

- 9.1 Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Demerged Company and the Resulting Company shall give effect to the accounting treatment in the books of account in accordance with the standards specified under Section 133 of the Companies

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Act, 2013 read with the Companies (India Accounting Standards) Rules, 2013.

9.2 Accounting Treatment in the books of Resulting Company:

- i. Pursuant to the Scheme coming into effect, with effect from the Appointed Date, the Resulting Company shall account for the demerger, in the books of accounts such that:
 - a. The Resulting Company shall, upon the Scheme becoming effective, record the assets and liabilities of the ITES business /Demerged Business of Demerged Company vested in them pursuant to this Scheme, at respective book values, as appearing in the books of Demerged Company at the close of business on the day immediately preceding the Appointed Date in accordance with the provisions of Section 2(19AA) of the Income Tax Act, 1961.
 - b. The Resulting Company shall credit its equity share capital account with the face value of new shares issued in accordance with clause 6 of Part II of the Scheme.
 - c. The amount of the net assets/ (liabilities) of the ITES business /Demerged Business demerged to Resulting Company (being the difference between the value of assets and value of liabilities of the Demerged Business, as recorded in the books of Resulting Company as per clause 9.2(i)(a) above), and after considering the allotment of shares and reduction of capital as contemplated in this Scheme would be adjusted against the reserves/goodwill of Resulting Company.
 - d. Having recorded the transfer of the assets and the liabilities as aforesaid and after receiving the relevant information on the fair values of assets acquired and liabilities assumed, the Resulting Company shall, to comply with the provisions of Indian Accounting Standards and more specifically Ind AS 103, "Business Combinations" notified under Section 133 of the Companies Act,

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2013 read with rules made thereunder and other Generally Accepted Accounting Principles, make necessary accounting adjustments such that all identifiable assets acquired and liabilities assumed (including assets and liabilities not specifically recognised by the Demerged Company in its financial statements) are reflected at their Appointed Date fair values within the measurement period specified in the said IND AS 103 and corresponding adjustment shall be made to goodwill and/or capital reserve as computed in subclause (c) above.

9.3 Accounting Treatment in the books of Demerged Company

- i. Pursuant to the Scheme coming into effect, with effect from the Appointed Date, the Demerged Company shall account for the demerger of the Demerged Business in the books of accounts in the following manner:
 - a. The Demerged Company shall transfer all the assets and liabilities pertaining to the Demerged Business as on the Appointed date at the values appearing in its books of account (i.e., the book value) at the Appointed date to the Resulting Company. Accordingly, the Demerged Company shall reduce from its books of accounts, the book values appearing on such date in accordance with the provisions of Section 2(19AA) of the Income Tax Act, 1961.
 - b. Having recorded the transfer of the assets and liabilities, as aforesaid, the Demerged Company shall make necessary adjustments for the sake of compliance with Indian Account Standards (IND AS) notified under Section 133 of the Companies Act, 2013 specifically IND AS 10 Appendix A "Distribution of Non-cash assets to Owners."
 - c. The Reduction of capital of Demerged Company as contemplated in this Scheme would be adjusted against the reserves of Demerged Company.

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Notwithstanding anything contained in clause 9 above the Demerged Company and Resulting Company shall comply with the applicable Accounting Standards.

10. PROFITS, DIVIDEND, BONUS/RIGHT SHARES

Demerged Company shall not utilise profits or income, if any, pertaining to the Demerged Business for any purpose including declaring or paying any dividend in respect of the period falling on and after the Appointed Date. Demerged Company shall also not utilise profits, adjust or claim adjustment of the profits/loss as the case may be earned/incurred or suffered in respect of the Demerged Business after the Appointed Date.

11. CONDUCT OF THE DEMERGED BUSINESS OF DEMERGED COMPANY TILL THE SPECIFIED DATE

With effect from the Appointed Date and up to and including the Specified Date:

- 11.1 ITES business /Demerged Business of the Demerged Company shall be deemed to have been carrying on and shall carry on its business and activities relating to the ITES business /Demerged Business and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to the ITES business /Demerged Business for and on account of and in trust for respective Resulting Company. Demerged Company hereby undertakes to hold its assets with utmost prudence until the Specified Date.
- 11.2 Demerged Company shall carry on its business and activities relating to the ITES business /Demerged Business with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of Resulting Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the ITES business /Demerged Business or part thereof.

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11.3 All the profits or income accruing or arising to ITES business /Demerged Business of the Demerged Company or expenditure or losses arising or incurred or suffered by Demerged Company pertaining to the ITES business /Demerged Business shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure of the Resulting Company.

11.4 Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government and all other agencies; departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Resulting Company may require pursuant to this Scheme.

12. STAFF, WORKMEN AND EMPLOYEES OF THE DEMERGED COMPANY:

12.1 On the Scheme becoming operative, all staff, workmen and employees (if any) of Demerged Company pertaining to the ITES business /Demerged Business in service on the Specified Date shall be deemed to have become staff and employees of the Resulting Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with Resulting Company shall not be less favourable than those applicable to them with reference to their employment in Demerged Company.

12.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts, if any, created or existing for the benefit of the staff, workmen and employees of Demerged Company pertaining to the ITES business /Demerged Business or all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of Demerged Company in relation to the ITES business /Demerged Business

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shall become those of Resulting Company. It is clarified that the services of the staff, workmen and employees of Demerged Company pertaining to the ITES business/Demerged Business will be treated as having been continuous for the purpose of the said Fund or Funds.

- 12.3 Resulting Company shall not vary the terms and conditions of employment of any of the employees of Demerged Company pertaining to the Demerged Business except in the ordinary course of business.

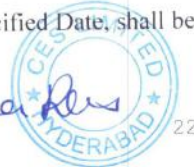
13. LEGAL PROCEEDINGS

- 13.1 If any suit, appeal or other proceeding of whatever nature by or against Demerged Company in relation to the ITES business /Demerged Business is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Resulting Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Demerged Company in relation to the ITES business /Demerged Business as if this Scheme had not been made.
- 13.2 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against Demerged Company in relation to the ITES business /Demerged Business, Resulting Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Resulting Company.

14. VESTING OF RIGHTS AND OBLIGATIONS UNDER CONTRACTS, DEEDS AND OTHER INSTRUMENTS.

- 14.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, Letters of Intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to the ITES business /Demerged Business to which Demerged Company is a party and which is subsisting or having effect on the Specified Date, shall be

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in full force and effect against or in favour of and may be enforced by or against the Resulting Company as fully and effectually as if, instead of Demerged Company the Resulting Company had been a party thereto.

14.2 Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, relating to the ITES business /Demerged Business to which Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme. Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of Demerged Company for the ITES business /Demerged Business and to implement or carry out all formalities required to give effect to the provisions of this Scheme.

15. SAVING OF CONCLUDED TRANSACTIONS

The vesting of the ITES business /Demerged Business of Demerged Company into Resulting Company under Clause 4 above and the continuance of proceedings by or against Resulting Company under Clause 12 above shall not affect any transaction or proceedings already concluded by Demerged Company for the Demerged Business on or after the Appointed Date till the Specified Date, to the end and intent that Resulting Company accept and adopts all acts, deeds and things done and executed by Demerged Company for the Demerged Business in respect thereto as done and executed on behalf of the Resulting Company pertaining to ITES business /Demerged Business.

16. REMAINING BUSINESS OR UNDERTAKING OF DEMERGED COMPANY

16.1 The remaining business of Demerged Company and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by Demerged Company.

16.2 All legal and other proceedings by or against Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Specified

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Date and relating to the remaining business of Demerged Company (including those relating to any property, right, power, liability, obligation or duty of Demerged Company in respect of the remaining business of Demerged Company) shall be continued and enforced by or against Demerged Company.

16.3 With effect from the Appointed Date and including the Specified Date-

- (a) Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the remaining business of Demerged Company for and on its own behalf;
- (b) All profit accruing to Demerged Company thereon or losses arising or incurred by it relating to the remaining business of Demerged Company shall, for all purposes, be treated as the profit, or losses, as the case may be, of Demerged Company.

16.4 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Remaining Business to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and which are subsisting or having effect immediately before the Specified Date, shall be in full force and effect on or against or in favour, as the case may be, of the Demerged Company.

17. TREATMENT OF TAXES

- 17.1 It is clarified that all taxes, levies, imposts, fines and duties payable by Demerged Company, accruing and relating to the operations of the ITES business /Demerged Business from the Appointed Date onwards, including all advance tax payments, tax deducted at source, any refund and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source or refunds and claims of the Resulting Company. Accordingly, upon this Scheme becoming effective, Demerged Company is expressly permitted to revise, and Resulting Company is expressly permitted to file their respective income tax returns, including tax deducted at source certificates.

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sales tax/ value added tax returns, excise returns, service tax returns and other tax returns for the period commencing on and from the Appointed Date, and to claim refunds/ credits, pursuant to the provisions of this Scheme. Similarly, the unabsorbed depreciation and brought forward losses of the Demerged Company as are relating to the ITES business /Demerged Business as considered for the purposes of Explanation I to Section 115JB (2) of the Income Tax Act, 1961 shall stand vested in the hands of the Resulting Company shall consolidate the same with its unabsorbed depreciation and brought forward losses for the purpose of Explanation I to Section 115JB (2) of the Income-tax Act, 1961.

- 17.2 All expenses paid by Demerged Company under Section 43B of the Income-tax Act, 1961, in relation to the ITES business /Demerged Business shall be claimed as a deduction by the Resulting Company and the vesting of ITES business /Demerged Business shall be considered as succession of business by Resulting Company.
- 17.3 The Demerger as contemplated in this Scheme would be completed in a manner so as to comply with the conditions relating to 'demerger' as specified under section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at the later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(19AA) of the Income-tax Act, 1961.

It is clarified that demerger in itself is a specific code and the taxability is envisaged specifically under the Income Tax Act, 1961. Subject to the compliance with the prescribed conditions under Section 2(19AA) of the Income Tax Act, 1961, the demerger shall be tax neutral transaction as provided under relevant clauses of Section 47 of the Act as no other tax implications are envisaged.

PART – III

18. APPLICATION TO THE NCLT

K Mohan Rao



Demerged Company and Resulting Company shall with all reasonable dispatch, make necessary applications to the NCLT pursuant to Sections 230 to 232 of the Act, for convening and/or seeking exemption to convene meetings of the shareholders, for sanctioning and carrying out of this Scheme.

19. MODIFICATIONS/AMENDMENTS TO THE SCHEME

Demerged Company and Resulting Company by their respective Board of Directors may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the NCLT and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e., the Board of Directors of Demerged Company and Resulting Company). Demerged Company and Resulting Company by their respective Board of Directors be and are hereby authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions of law or otherwise, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith. The aforesaid powers of the Board shall be exercised with the approval of the NCLT.

20. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 20.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and/or creditors of Demerged Company and Resulting Company as prescribed under the Act, Stock Exchanges and as may be directed by the NCLT or any other appropriate authority as may be applicable.
- 20.2 The scheme is conditional upon scheme being approved by the PUBLIC shareholders through e-voting in terms of Part – I (A)(10)(a) of SEBI Master circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22,

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K Mohana Rao



2020 and the scheme shall be acted upon only if vote cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.

- 20.3 The sanction of this Scheme by the NCLT or any other appropriate authority under Sections 230 to 232 and other applicable provisions, if any of the Act in favour of Demerged Company and Resulting Company.

21. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in Clause 19 not being obtained and/ or the Scheme not being sanctioned by the NCLT or such other appropriate authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law and agreed between the parties to this Scheme. Each party shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme unless otherwise mutually agreed.

22. COSTS, CHARGES AND EXPENSES

All costs, shortages, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Demerged Company.

K Mohan



Details of assets and liabilities of the Demerged Business as on the appointed date

Liabilities		Assets	
Particulars	Amount	Particulars	Amount
		Non-Current Liabilities	
Non-Current Liabilities		Property, Plant & Equipment	1,514,652
Provisions	38,704,967	Investments	69,779,798
Deferred Tax Liabilities	15,215,816	Other Financial Assets	4,640,919
Current Liabilities		Current Assets	
Trade Payables	20,622,231	Trade Receivables	260,539,515
Other Current Liabilities	26,008,823	Cash & Cash Equivalents	97,698,091
Provisions	91,688,337	Loans	20,623,804
		Other Current Assets	206,581
Total	19,22,40,174		455,003,360

K Mohana Rao



SHARE ENTITLEMENT REPORT

FOR

Transfer of Demerged Undertaking of
CES Ltd

To

CES Technology Services Private Limited
pursuant to a Scheme of Arrangement

A. N. GAWADE

FCA, RV (IBBI)

Registered Valuer

Securities or Financial Assets

Regn No. IBBI/ RV/05/2019/10746

Share entitlement Report pursuant to Scheme of Arrangement between CES Ltd. and CES Technology Services Private Ltd. Date: 13/05/2022



A. N. GAWADE

FCA, RV (IBBI)

Registered Valuer

Securities or Financial Assets

Regn No. IBBI/ RV/05/2019/10746

Date: 13/05/2022

To,
The Board of Directors
CES Limited
Seventh Floor, Tower- A
Ramky Selenium Building
Plot No.31& 32, Nanakramguda,
Gachibowli
Hyderabad - 500032

7, Saraswati Heights,
Behind Café Goodluck,
Deccan Gymkhana, Pune -411004
Phone No. Ph. 7722063311
Email: ang@angca.com

Sub: Submission of Share Entitlement Report for proposed Scheme of Arrangement between CES Limited (Demerged Company or Transferor Company) with the Resulting Company, CES Technology Services Private Limited (Transferee Company or "CTSPL")

Dear Sir(s),

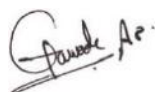
As per our engagement terms, I have prepared the Share Entitlement Report for the proposed Scheme of Arrangement. This Report is prepared on the basis of information and explanations received from the Demerged Company. The sole purpose of the Report is to assist the Company in determining the entitlement ratio pursuant to transfer of Demerged undertaking in accordance with the scheme of Arrangement of the Company in compliance with the SEBI Master circular ref no: SEBI/HO/CFD/DIL1/P/2021/0000000665 dated November 23,2021 ("SEBI Master Circular").

Based on the scope and limitations of work, sources of information, Scheme of arrangement and explanations therein, the share entitlement ratio is

Division	Fair Value per share Rs	Ratio
IT Division	14	2
ITES Division (Demerged Division)	7	1

Accordingly, CES Technologies Services Private Limited (ITES Division) will issue 1(one) share to each shareholder of CES Ltd for 2(two) shares held in CES Ltd.

Thanking You,



Mr. Anandkumar Gawade,
Registered Valuer
Reg. No. IBBI/RV/05/2019/10746

UDIN: 22110752AIZBIU7289

Share entitlement Report pursuant to Scheme of Arrangement between CES Ltd. and CES Technology Services Private Ltd. Date: 13/05/2022



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Share entitlement Report pursuant to Scheme of Arrangement between CES Ltd. and CES Technology Services Private Ltd. Date: 13/05/2022



Scope and Purpose of this report and Appointing Authority:

As decided by the Board of Directors of CES Limited, the Demerged Undertaking of Demerged Company consisting of ITES business shall, under the provisions of Section 230 to 232 and all other applicable provisions, if any, of the Companies Act, 2013 be transferred to CES Technology Services Private Limited (Resulting Company) as a going concern.

In this connection, Mr. Anandkumar Gawade, Registered Valuer has been requested by the Board of Directors of the Company to certify the share entitlement ratio as mentioned in the Scheme.

Our Report is subject to the scope limitations detailed herein after. As such the Report is said to be read in totality, not in parts, in conjunction with the relevant documents referred to therein.

Valuation Date, Date of Appointment and Date of report:

For the purpose of this assignment of valuation, following shall be the key dates:

a. Valuation Date –It refers to a point of time at which the asset is being valued in the valuation report i.e. 31/12/2021

b. Date of Appointment –It refers to a date on which the engagement is provided to a Valuer for valuation i.e. 04/05/2022

c. Date of Report – It refers to a date on which the Report is signed by a Valuer. i.e. 13/05/2022

Identity of the Valuer and other experts involved in the valuation:

Valuation is carried out by me, i.e. Anandkumar Gawade, Registered Valuer under Class Securities or Financial Assets vide Registration No. IBBI/RV/05/2019/10746. I am also Practicing Chartered Accountants since 2002 vide MRN 110752. There were no other experts involved in the carrying out process of valuation. I am allowed to carry out the same valuation as per rules.

Declaration of Independence of Valuer and Financial Interest:

I hereby declare that I am independent of the subject Company for valuation and has not been under any direct or indirect influence, which may affect the valuation exercise. I also state that I have no financial interest in the Subject Company for valuation. I also confirm that this engagement shall be in compliance with the model Code of Conduct issued by IBBI vide Valuation Rule.

Sources of Information:

The following information has been received from the Management of Company:

- Audited Financial statements of the Company for the period for FY 2020-21
- Business Profile of the Company.
- MOA, AOA of the Company and other ROC Documents.
- Oral information for various clarifications.
- Divisional Financials as on 31.12.2021

I have also obtained necessary explanations and information, which I believe were relevant to the present exercise, from the executives and representatives of Company.

Inspections and/or Investigations undertaken:

- I have verified the industry in which the Company is operating and the performance of the industry.
- Studied financials statements
- Studied stock exchange trading information.

Share entitlement Report pursuant to Scheme of Arrangement between CES Ltd. and CES Technology Services Private Ltd. Date: 13/05/2022



Scope Limitations:

Valuation analysis and result are specific to the purpose of valuation as agreed as per term of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

Valuation analysis are specific to the date of this Report. A valuation of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. As such, our valuation results are, to a significant extent, subject to continuance of current trends beyond the date of Report. I, however, have no obligation to update this Report for events, trends, transactions occurring subsequent to the date of this Report. This Report is prepared as per Indian Laws and Rules.

The analysis in this report is considered to be advisory in nature and not a certificate. However, this analysis will not be for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from the expert advisors.

I express no opinion on the achievability of the forecasts if any, given to me. The assumptions used in their preparation, as I have been explained, are based on Management's present expectation of both- the most likely set of future business events and circumstances and the Managements course of action related to them. It is usually the case that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the forecast period may differ from the forecast and such difference may be material.

Subject to the limitations and exclusions as mentioned above, I owe no responsibility, neither accept any liability to any third party in relation to issue of this report for any false or incorrect information given to me or anything beyond my control.

Premise of Value/Assumed Use:

A Premise of Value or Assumed Use describes the circumstances of how an asset or liability is used. Different bases of value may require a particular Premise of Value or allow the consideration of multiple Premises of Value. In this case, Premise of Value – Current Use/Existing Use premise is used. Current use/existing use is the current way an asset, liability, or group of assets and/or liabilities is used.

Basis of Value – Market Value:

Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Company Brief:

CES Limited is an Information Technology (IT) and Information Technology Enabled Services (ITES) provider, dedicated to serving the midsize market of global enterprises. It has mainly two divisions i.e. IT Division and ITES Division. CES Limited is a BSE listed Company (vide code 512341).

Current Shareholding pattern of CES Limited:

Sl. No.	Category	No. of Shares	% Holding
1	Promoter & Promoter Group	2,72,42,012	74.84%
2	Public	91,57,988	25.16%
Total		3,64,00,000	100%

MCA Master Data:

CIN	L55100TG1985PLC045963
Company / LLP Name	CES LIMITED.
ROC Code	RoC-Hyderabad
Registration Number	045963
Company Category	Company limited by Shares
Company SubCategory	Non-govt company
Class of Company	Public
Authorised Capital(Rs)	365000000
Paid up Capital(Rs)	364000000
Date of Incorporation	10/04/1985
Registered Address	Seventh Floor, Tower- A, Ramky Selenium Building, Plot No.31& 32, Nanakramguda, Gachibowli Hyderabad 500032

Share entitlement Report pursuant to Scheme of Arrangement between CES Ltd. and CES Technology Services Private Ltd. Date: 13/05/2022



Division wise Financials as on December 31, 2021

CES LIMITED				
Standalone Balance Sheet as at 31 December 2021				
Particulars	Consolidated IT & ITES	Eliminations	Tranferee Company	Tranferor Company
			ITES Division	IT Division
	As on 31-12-2021		As on 31-12-2021	As on 31-12-2021
	(Rs.)		(Rs.)	(Rs.)
ASSETS:				
1 Non-Current Assets:				
(a) Property, Plant and Equipment	39,55,40,603	-	15,14,652	39,40,25,951
(b) Capital Work-in-progress	37,48,008	-	-	37,48,008
(c) Goodwill	64,51,003	-	-	64,51,003
(d) Financial Assets:				
(i) Investments	10,04,38,610	(3,06,58,812)	6,97,79,798	-
(ii) Other Financial Assets	3,13,77,639	-	46,40,919	2,67,36,720
2 Current Assets:				
(a) Financial Assets:				
(i) Trade Receivables	26,61,63,079	-	26,05,39,515	56,23,564
(ii) Cash and Cash Equivalents	22,88,90,615	-	9,76,98,091	13,11,92,524
(iii) Loans	8,69,99,003	-	2,06,23,804	6,63,75,199
(b) Other Current Assets	53,98,846	-	2,06,581	51,92,265
Total	1,12,50,07,406	(3,06,58,812)	45,50,03,360	63,93,45,234
EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share Capital	36,40,00,000	-		
(b) Other Equity	46,01,24,692	(3,06,58,812)	26,27,63,186	53,07,02,695
Liabilities				
2 Non-Current Liabilities				
(a) Financial Liabilities:				
(i) Borrowings	-			
(b) Provisions	5,90,17,457	-	3,87,04,967	2,03,12,490
(c) Deferred Tax Liabilities (Net)	2,32,01,125	-	1,52,15,816	79,85,309
3 Current Liabilities				
(a) Financial Liabilities:				
(i) Trade Payables	2,95,16,764	-	2,06,22,231	88,94,533
(b) Other Current Liabilities	4,41,17,765	-	2,60,08,823	1,81,08,942
(c) Provisions	14,50,29,602	-	9,16,88,337	5,33,41,265
Total	1,12,50,07,406	(3,06,58,812)	45,50,03,360	63,93,45,234

Share entitlement Report pursuant to Scheme of Arrangement between CES Ltd. and CES Technology Services Private Ltd. Date: 13/05/2022



Division wise Financial Results for the period ended 31-12-2021

Particulars	31.12.2021
	Un-Audited
Revenue	
IT Services & Products Revenue	4,037.48
ITES Services Revenue	7,693.33
Total Revenue	11,730.81
Profit/Loss before tax and interest from each segment	
Direct Expenses - IT Services	(1,770.70)
Direct Expenses - ITES Services	(3,374.03)
Operating Income -IT Services	2,266.78
Operating Income -ITES Services	4,319.30
Total Segmental Operating Income	6,586.08
Unallocable Expenses	(5,265.55)
Add: Interest and other Income	252.33
Total Profit Before Taxes	1,572.85

Share entitlement Report pursuant to Scheme of Arrangement between CES Ltd. and CES Technology Services Private Ltd. Date: 13/05/2022



About CES Technology Services Private Limited (Resulting Company)

CES Technology Services Private Limited is a wholly owned subsidiary of CES Limited.

MCA Master Data:

CIN	U72200TG2010PTC067406
Company / LLP Name	CES TECHNOLOGY SERVICES PRIVATE LIMITED
ROC Code	RoC-Hyderabad
Registration Number	067406
Company Category	Company limited by Shares
Company SubCategory	Non-govt company
Class of Company	Private
Authorised Capital(Rs)	100000
Paid up Capital(Rs)	100000
Date of Incorporation	08/03/2010
Registered Address	South Wing B Division,Fourth Floor, Tower- A Ramky Selenium Building, Nanakramguda, Gachibowli Hyderabad Hyderabad TG 500032 IN

Share entitlement Report pursuant to Scheme of Arrangement between CES Ltd. and CES Technology Services Private Ltd. Date: 13/05/2022



Valuation Approaches:

There are three main valuation approaches. They are all based on the economic principles of price equilibrium, anticipation of benefits or substitution. The goal in selecting valuation approaches and methods for an asset is to find the most appropriate method under the particular circumstances. No one method is suitable in every possible situation. The main valuation approaches are:

1) Market Approach:

The Market Approach provides an indication of value by comparing the *asset* with identical or comparable (that is similar) *assets* for which price information is available. The Market Approach should be applied and afforded significant weight under the following circumstances:

- a) The subject *asset* has recently been sold in a transaction appropriate for consideration under the basis of value,
- b) The subject *asset* or substantially similar *assets* are actively publicly traded, and/or
- c) There are frequent and/or recent observable transactions in substantially similar *assets*.

There are some of the limitations to the Market Approach which are as follows:

- It is difficult to identify transactions or Company that are comparable. There is usually a lack of a sufficient number of comparable Company or transactions.
- It is less flexible compared to other methods.
- The method raises question on how much data is available and how good the data is.

CES Limited is a listed company with shares quoted on the BSE.

As per SEBI ICDR Regulations “frequently traded shares” means the shares of the issuer, in which the traded turnover on any recognised stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of shares of the issuer.

As per trade data of CES Limited extracted from BSE, the traded turnover is less than ten per cent of the total number of shares. Thus, CES Limited is infrequently traded as per SEBI ICDR Regulations.

Accordingly, I have not used the Market Approach for valuation of the Company.

2) Income Approach:

The Income Approach provides an indication of value by converting future cash flow to single current value. Under the income approach, the value of an *asset* is determined by reference to the value of income, cash flow or cost savings generated by the *asset*.

Since the business of the Company is proposed to be demerged and future projections are not available, I have not used the Income Approach for valuation of the Company.

3) Cost Approach:

The Cost Approach provides an indication of value using the economic principle that a buyer will pay no more for an *asset* than the cost to obtain an *asset* of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an *asset* and making deductions for physical deterioration and all other relevant forms of obsolescence. The Cost Approach *should* be applied and afforded *significant weight* under the following circumstances:

- Partners would be able to recreate an *asset* with substantially the same utility as the subject *asset*, without regulatory or legal restrictions, and the *asset* could be recreated quickly enough that a participant would not be willing to pay a significant premium for the ability to use the subject *asset* immediately.

- The asset is not directly income generating and the unique nature of the asset makes using an income approach or market approach unfeasible and/or
- The basis of value being used is fundamentally based on replacement cost, such as replacement value.

Since all existing shareholders of Demerged Company are going to get shareholding in Resulting Company proportionately, the beneficial economic interest of demerged company shareholders in resulting company will remain same as prior to the Scheme of Arrangement and hence it would not have any effect on economic interest of the shareholders of the demerged company and the Proposed Scheme of Arrangement will not result in either increase or decrease in the total value to the Demerged company's shareholders.

Therefore, I have used the Cost Approach for valuation

Valuation Methodologies:

According to Standard valuation practice, the fundamental precondition for obtaining significant and comparable valuations in determining the value of assets, is the consistency and comparability of the methods applied according to the characteristics of the Company and Company being valued.

In addition, a second fundamental principal often adopted for determining value is the "Stand alone" assumption. That is, a valuation perspective based on the current configuration and future prospects of the Company on an independent basis, without taking any potential synergies from determining the valuation into account.

As stated previously, the selected methodologies-which represent recognized techniques, widely used in valuation practice both in India and internationally – should not be considered individually, but rather as different parts of a single valuation process. Independent use of the results obtained from each methodology, without duly considering the complementary relationship with other methodologies, will result into loss of the meaningfulness of valuation process itself.

Valuation is not an exact science and ultimately depends upon what it is worth to a serious investor or buyer who may have been prepared to pay goodwill. This exercise may be carried out on the basis of generally accepted methodologies, the relative emphasis of each often varying with the factors such as:

- Specific nature of business
- Economic Life Cycle in which the Company is operating and
- Extent to which and comparable information is available.

The results of this exercise could vary significantly depending upon the basis used, the specific circumstances and professional judgement of the Valuer.

Valuation Analysis as per NAV Method:

VALUATION OF CES LIMITED (ITES DIVISION) AS ON 31.12.2021		
ASSETS	AMOUNT IN INR	
Fixed assets	15,14,652	
Other non-current assets	7,44,20,717	
Cash and bank balances	9,76,98,091	
Trade Receivables	26,05,39,515	
Short-term loans and advances	2,06,23,804	
Other current assets	2,06,581	
TOTAL ASSETS (A)		45,50,03,360
LIABILITIES		
Non-current liabilities	5,39,20,783	
Trade Payables	2,06,22,231	
Other Current Liabilities	11,76,97,161	
TOTAL LIABILITIES (B)		19,22,40,174
NET ASSETS VALUE		26,27,63,186

VALUATION OF CES LIMITED (IT DIVISION) AS ON 31.12.2021		
ASSETS	AMOUNT IN INR	
Fixed assets	40,42,24,962	
Other non-current assets	2,67,36,720	
Cash and bank balances	13,11,92,524	
Trade Receivables	56,23,564	
Short-term loans and advances	6,63,75,199	
Other current assets	51,92,265	
TOTAL ASSETS (A)		63,93,45,234
LIABILITIES		
Non-current liabilities	2,82,97,800	
Trade Payables	88,94,533	
Other Current Liabilities	7,14,50,207	
TOTAL LIABILITIES (B)		10,86,42,539
NET ASSETS VALUE		53,07,02,695

Share entitlement Report pursuant to Scheme of Arrangement between CES Ltd. and CES Technology Services Private Ltd. Date: 13/05/2022



Summary of Valuation Analysis:

	Net Assets Rs	No of Shares	Per share NAV Rs	NAV Rounded Off Rs
IT Division	53,07,02,695	3,64,00,000	14.58	14
ITES Division (Demerged Division)	26,27,63,186	3,64,00,000	7.22	7

Exchange Ratio:

Division	Fair Value per share Rs	Ratio
IT Division	14	2
ITES Division (Demerged Division)	7	1

Accordingly, CES Technologies Services Private Limited (ITES Division) will issue 1 share to each shareholder of CES Ltd for 2 shares held in CES Ltd.

Conclusion:

As per the Draft Scheme of Arrangement, the demerged undertaking, i.e. ITES division is proposed to be demerged from the CES Ltd to CES Technologies Services Private Limited. CES Ltd has identified all the assets and liabilities forming part of ITES Division to be transferred to CTSP, as computed above.

The scheme further specifies that the paid-up share capital of CTSP (Pre scheme) i.e., Rs 1,00,000/- shall be cancelled by way of capital reduction. Also, the paid up capital of CES Limited would be reduced to Face value of Rs 7 from Rs 10 by way of capital reduction.

Upon the scheme being effective, all the shareholders of CES Limited would also become the shareholders of CTSP in the same proportion and with the entire outstanding issued and paid-up share capital of CTSP ('Prior to Scheme of Arrangement') getting cancelled by the way of a capital reduction as part of the scheme, their shareholding pattern in CES Technology Services Private Limited would mirror their existing shareholding pattern in CES Limited prior to Scheme of Arrangement. So as per the SEBI Master Circular –'Valuation report is not required in cases where there is no change in the shareholding pattern of the Listed entity/resultant company'.

Based on the above-mentioned facts as confirmed by the Management and upon the scheme being effective (post Scheme of Arrangement), the holding proportion of the existing shareholders in the demerged company (CES Ltd-Listed entity) will be identical to that in the resulting company (CES Technology Services Private Limited). The beneficial economic interest of demerged company shareholders in resulting company will remain same as prior to the Scheme of Arrangement and hence it would not have any effect on economic interest of the shareholders of the demerged company and the Proposed Scheme of Arrangement will not result in either increase or decrease in the total value to the Demerged company's shareholders. Hence, any share entitlement ratio can be considered appropriate and fair for the Proposed Scheme of Arrangement, since the proportionate equity shareholding pattern of all the shareholders prior to Scheme of Arrangement and post-Scheme of Arrangement would remain same and will not vary.

Share entitlement Report pursuant to Scheme of Arrangement between CES Ltd. and CES Technology Services Private Ltd. Date: 13/05/2022

As per the Scheme of arrangement, the management has proposed to issue 1,82,00,000 equity shares of Rs. 3 each of CT SPL against 3,64,00,000 equity shares of CES Ltd of Rs. 7 each, and the same will become the issued, subscribed and fully paid-up equity share capital of CT SPL. Thus, the Resulting Company shall issue 1 equity share for every two equity shares held by the shareholders of the Demerged Company. This will reflect the same shareholding pattern of equity shares as CES Limited and mirror shareholding pattern prior to the Proposed Scheme of Arrangement. The shareholding pattern Pre and post scheme of arrangement is enumerated below:

Shareholding Pattern of CES Limited prior to scheme of arrangement

Sl. No.	Category	No. of Shares	% Holding
1	Promoter & Promoter Group	2,72,42,012	74.84%
2	Public	91,57,988	25.16%
Total		3,64,00,000	100%

Shareholding Pattern of CT SPL post scheme of arrangement

Sl. No.	Category	No. of Shares	% Holding
1	Promoter & Promoter Group	1,36,21,006	74.84%
2	Public	45,78,994	25.16%
Total		1,82,00,000	100%

Accordingly, the Resulting Company shall issue 1 (one) equity share for every 2 (two) equity shares held by the shareholders of the Demerged Company.

Gratitude:

I am grateful to the Management for making information and particulars available to me, often at a short notice, without which this assessment would not have been concluded in a time-bound manner.

Limitations, Caveats and Disclaimers:

i. Restriction on use of Valuation Report

This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. My client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the client from providing a copy of the report to third-party advisors whose review would be consistent with the intended use and the Regulations. I do not take any responsibility for the unauthorized use of this report.

i. Responsibility of RV

I owe responsibility to only to the authority/client that has appointed me under the terms of the engagement letters. I will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall I be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents.

ii. Accuracy of Information

While my work has involved an analysis of financial information and accounting records, my engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, I express no audit opinion or any other form of assurance on this information.

iii. Achievability of the forecast results

I do not provide assurance on the achievability of the results forecast by the management/owners as events and circumstances do not occur as expected; differences between actual and expected results may be material. I express no opinion as to how closely the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of management.

iv. Post Valuation Date Events

The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date.

v. Range of Value Estimate

The valuation of companies and assets is made based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Although every scientific method has been employed in systematically arriving at the value, there is, therefore, no indisputable single value and the estimate of the value is normally expressed as falling within a likely range. To comply with the client request, I have provided a single value for the overall Fair Value. Whilst I consider the valuation to be both reasonable and defensible based on the information available, others may place a different value.

vi. No Responsibility to the Actual Price of the subject asset if sold or transferred/ exchanged.

The actual market price achieved may be higher or lower than my estimate of value (or value range of value) depending upon the circumstances of the transaction (for example the competitive bidding environment), the nature of the business (for example the purchaser's perception of potential synergies). The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved.

Share entitlement Report pursuant to Scheme of Arrangement between CES Ltd. and CES Technology Services Private Ltd. Date: 13/05/2022



Accordingly, my valuation conclusion will not necessarily be the price at which actual transaction will take place.

vii. Reliance on the representations of the owners/clients, their management and other third parties

The client/owner and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. I have relied upon the representations of the owners/clients, their management and other third parties concerning the financial data, operational data and maintenance schedule of all plant-machinery-equipment-tools-vehicles, real estate investments and any other investments in tangible assets except as specifically stated to the contrary in the report. I shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the companies, their directors, employee or agents.

viii. No procedure performed to corroborate information taken from reliable external sources

I have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, I assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where I have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.

ix. Compliance with relevant laws

The report assumes that the company/business/asset complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet/fixed assets register provided to us.

x. Multiple factors affecting the Valuation Report:

The valuation report is tempered by the exercise of judicious discretion by the RV and judgment taking into account the relevant factors. There will always be several factors, e.g., management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value.

xi. Future services including but not limited to Testimony or attendance in courts/ tribunals/ authorities for the opinion of value in the Valuation Report.

xii. I am fully aware that based on the opinion of value expressed in this report, I may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking my evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my tendering evidence before such authority shall be under the applicable laws.

xiii. While my work has involved an analysis of financial information and accounting records, my engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, I assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of you and the client. my report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction

Share entitlement Report pursuant to Scheme of Arrangement between CES Ltd. and CES Technology Services Private Ltd. Date: 13/05/2022



with the relevant documents referred to herein and in the context of the purpose for which it is made.

- xiv. The valuation of companies and businesses is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment.
- xv. The actual market price achieved may be higher or lower than my estimate of depending upon the circumstances of the transaction (for example the competitive bidding environment), the nature of the business (for example the purchaser's perception of potential synergies). The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, my valuation conclusion will not necessarily be the price at which any agreement proceeds. The final transaction price is something on which the parties themselves have to agree. I also emphasize that my opinion is not the only factor that should be considered by the parties in agreeing the transaction price.
- xvi. An analysis of such nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and I do not assume any obligation to update, revise or reaffirm this Report.
- xvii. The ultimate analysis will have to be tempered by the exercise of judicious discretion by the RV and judgment taking into account the relevant factors. There will always be several factors, e.g., management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the face of the Balance Sheet but could strongly influence the value.
- xviii. In the course of the valuation, I was provided with both written and verbal information. I have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. My conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company.
- xix. I am independent of the client/company and have no current or expected interest in the Company or its assets. The fee paid for my services in no way influenced the results of my analysis.
- xx. My report is meant for the purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining my prior written approval for any purpose other than the purpose for which it is prepared.
- xxi. The information provided by the management is believed to be true and reliable to the best of my knowledge, I do not make any representations or warranties, express or implied, as to the accuracy or completeness of such information.
- xxii. No investigation of the company's claim to title of the assets has been made for the purpose of this valuation and their claim to such rights has been assumed to be valid. My report is not, nor should it be construed, as I am certifying the compliance with the provisions of any law including

Share entitlement Report pursuant to Scheme of Arrangement between CES Ltd. and CES Technology Services Private Ltd. Date: 13/05/2022



Company and Taxation laws or as regards any legal, accounting or taxation implications or issues.

- xxiii. I have no obligation to update this report because of events or transactions occurring subsequent to the date of this report.
- xxiv. Valuation analysis is specific to the date of this report. A valuation of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. As such, my valuation results are, to a significant extent, subject to continuance of current trends beyond the date of report. I, however have no obligation to update this report for events, trends, transactions occurring subsequent to the date of this report. This report is prepared as per Indian Laws and Rules.
- xxv. I owe no responsibility neither accept any liability to any third party in relation to issue of this report for any false or incorrect information given to me or anything beyond my control.

Thanking You.

End of Report

Share entitlement Report pursuant to Scheme of Arrangement between CES Ltd. and CES Technology Services Private Ltd. Date: 13/05/2022

Anandkumar Gawade, Registered Valuer Regn No. IBBI/RV/05/2019/10746

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CMMI Level 5 Company

CES Limited

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

CONFIRMATION

I, Suraj Kumar Garg, Company Secretary & Compliance Officer, hereby confirms the following:

a) No material event impacting the valuation has occurred during the intervening period of filing the scheme documents with Stock Exchange and period under consideration for valuation.

b) Declaration/ details on any past defaults of listed debt obligations of the entities forming part of the scheme: **Not applicable**

Signature
Suraj Kumar Garg
Company Secretary & Compliance Officer

Date: 16-05-2022

Place: Hyderabad



Phone: +91 (40) 4040-7070 | Fax No: +91 (40) 4010-2456

CIN: L55100TG1985PLC045963

REPORT OF THE AUDIT COMMITTEE OF CES LIMITED RECOMMENDING THE SCHEME OF ARRANGEMENT OF CES LIMITED AND CES TECHNOLOGY SERVICES PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Members Present:

1. Mr. Tummala Muralikrishna
2. Mr. Duruvasan Ramachandra

In attendance:

Mr. Suraj Kumar Garg, Company Secretary
Mr. Srinivas Raju Kucheralapati, Chief Financial Officer.

Background

- At the Board meeting of the company held on 08.04.2022, the board in-principle approved the proposal of Scheme of Arrangement, subject to such approvals as may be required as per various regulations and enactments as may be applicable.
- A meeting of Audit Committee of the company was held on 16th May, 2022 to consider and recommend the draft Scheme of Arrangement taking into consideration, inter-alia, the Valuation Report, pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the rules and/ or regulations made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) ("Companies Act") and other applicable laws including the master circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 issued by the Securities and Exchange Board of India ("SEBI") on November 23, 2021 (as amended from time to time), SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 or any other circulars issued by SEBI applicable to schemes of arrangement from time to time ("SEBI Scheme Circular" and such scheme, the "Scheme"), together with provisions of the Income Tax Act, 1961.
- The Company is incorporated under the provisions of the Companies Act, 1956. The equity shares of the Company are listed on BSE Limited.
- In terms of the SEBI Circular applicable to schemes of arrangement, a report from the Audit Committee recommending the draft Scheme is required, taking into consideration inter alia the Valuation Report (as defined hereinafter), and commenting on the need for the Scheme, rationale of the Scheme, synergies of business of the entities involved in the Scheme, impact of the Scheme on the shareholders and cost benefit analysis of the Scheme. This report of the Audit Committee is made in compliance with the requirements of the SEBI Scheme Circular issued by SEBI pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").



Need for the Scheme of Arrangement

The Demerged Company is predominantly engaged in the business of Information Technology (IT) and Information Technology Enabled Services (ITES). Both the businesses have excellent forays into the markets and hence there is every need for expanding each of the businesses by segregating the two businesses into two different undertakings. Both the IT and ITES businesses are two different areas of business, and need separate set of expertise, hence it is necessary to divide the two businesses and be operated as separate entities so each of the businesses can be dealt with different set of management with focus solely on each of the business respectively. Further upon the scheme becoming effective and delisting the demerged company's shares from the Stock exchange will help the demerged company to reduce the cost and also make it easy for the demerged company to raise funds that are required for expansion of the remaining business of the demerged company. The proposed restructuring is in the interest of the shareholders, creditors, employees, and other stakeholders in each of the companies.

Rationale of the Scheme

- i) CES Limited ("Demerged Company") is predominantly into the business of IT and ITES.
- ii) The Scheme in the present case provides for demerger of ITES undertaking including with all the related assets and liabilities of Demerged Company into CES Technology Services Private Limited ("Resulting Company") which is wholly owned subsidiary of Demerged Company and also delisting of the shares of the Demerged Company from the stock exchange(s).
- iii) The Demerged Company has excellent forays into the markets and with an objective to increase their market share; the promoters seek investment by external investors/partners. The Demerged Company wants to delink the ITES business completely from all other activities hence considered prudent to demerge ITES business of the Demerged Company.
- iv) The Demerged Company is a publicly listed Company having its equity shares listed on BSE Limited. Though the Demerged Company is listed Company the demerged company has only 26 shareholders. Further the shares of the demerged company are not frequently traded. As the shares of the demerged company are not frequently traded the shareholders of the demerged company could not get the benefit of listing the shares on the Stock Exchange, however the demerged Company is incurring huge cost in compliance, being a listed Company, further the demerged company also contemplate to expand the remaining business for which the demerged company may require to raise capital from investors. Hence, the promoters seek to delist the shares of the demerged Company from Stock Exchanges, which will not only help the demerged company to reduce the cost but also make it easy for the demerged company to raise funds that are required for expansion of the remaining business of the demerged company.

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- v) The Scheme provides for segregation of the assets, liabilities (including resources deployed) related to the divisions being vested by way of demerger and also provide for delisting of the share of the demerged company from stock exchanges.
- vi) Such segregation and delisting would result in having a structure ready for external investments in Demerged Company and the Resulting Company.
- vii) The Scheme of Arrangement would benefit the shareholders, employees and other stakeholders of the Demerged Company and the Resulting Company and in no way the proposed scheme is detrimental to the shareholders of the listed entity.

Synergies of business of the entities involved in the scheme

- i) The Demerged Business and Remaining Business carried on by Demerged Company have significant potential for growth. The nature of risk and competition involved in each of these units are distinct from other and consequently demerged business and remaining business is capable of attracting a different set of business leaders, employees, investors, strategic partners, lenders and other stakeholders. That the Demerged Business and Remaining Business should be bifurcated and should have independent entities for each undertaking.
- ii) The ITES business have huge potential and needs a focused management for each activity and hence it is felt necessary to carry on the business of ITES in a separate entity.
- iii) In order to have greater and complete focus to the operations of each of demerged business and remaining business and evolve strategies for growth and expansion of activities of demerged business and remaining business separately, apart from attracting investors into each of the Demerged Business and Remaining Business, Demerged Company proposes to re-organize and segregate, by way of de-merger, its business.
- iv) Demerged Business and Remaining Business has tremendous growth and profitability potential, especially the Remaining Business is at a stage where they require focused leadership and management attention.
- v) It is believed that the proposed segregation will create enhanced value for all stakeholders and allow a focused strategy in operations, which would be in the best interest of Demerged Company, its all stakeholders, creditors and all persons connected with Demerged Company.
- vi) It is believed that the delisting of shares of the Demerged Company from the Stock Exchange(s) will reduce the compliance cost incurred by the Demerged Company and



will also make it easy for the demerged company to raise finances that are required for expansion of the remaining business of the demerged company.

- vii) The Scheme of Arrangement also contemplates the cancellation of shares held by the Demerged Company in Resulting Company thereby reduction of share capital of the Resulting Company and also cancellation of the investments made by the Demerged Company in the Resulting Company.
- viii) The Scheme of Arrangement also contemplates the reduction of the share capital of the Demerged Company
- ix) The Scheme of Arrangement will also provide scope for independent collaboration and expansion without committing the existing organization in its entirety.
- x) With aforesaid objective, it is proposed to De-merge, the Demerged Company's ITES business from the Demerged Company to Resulting Company and also delist the shares of the demerged company from the stock exchanges.
- xi) The Demerged Company and Resulting Company are of the opinion that the Scheme of Arrangement would benefit the shareholders, employees and other stakeholders of the Demerged Company and Resulting Company.

Impact of the scheme on the shareholders

The Scheme is expected to be beneficial to the shareholders of the Company leading to opportunity for growth and value creation in the long run and maximizing the value and returns to the shareholders, achieving cost and operational efficiencies. The equity shares will be issued by the Company on account of the Scheme which will result in dilution of the existing share holding in the Company and the shareholders of the Company in turn will benefit on account of a) synergies which are expected to accrue to the Company; b) creation of efficient management and administration which will in help in creating the future ready organ gram and c) focused alignment of business verticals of the Company. The Audit Committee also noted that the Scheme is subject to the majority approval of the public shareholders of the Company.

Cost benefit analysis of the scheme

The Demerged Company is a publicly listed Company having its equity shares listed on BSE Limited. Though the Demerged Company is listed Company the demerged company, it has only 26 shareholders. Further the shares of the demerged company are not frequently traded. As the shares of the demerged company are not frequently traded the shareholders of the demerged company could not get the benefit of listing the shares on the Stock Exchange, however the demerged Company is incurring huge cost in compliance, being a listed Company, further the demerged company also contemplate to expand the remaining business for which the demerged company may require to raise capital from investors. Hence, the promoters seek to delist the shares of the demerged Company from Stock Exchanges, which will not only help the demerged company to reduce the cost but also make it easy for the demerged company to raise funds that are required for expansion of the remaining business of the demerged company.

T. R. V. S.



The Scheme provides for segregation of the assets, liabilities (including resources deployed) related to the divisions being vested by way of demerger and also provide for delisting of the share of the demerged company from stock exchanges. Such segregation and delisting would result in having a structure ready for external investments in Demerged Company and the Resulting Company.

Documents placed before the Audit Committee

- a) Draft Scheme of Arrangement, duly initialled by Mr. Mohana Rao Kancharla, Wholtime Director of the Company for the purpose of identification;
- b) Registered Valuer's Report dated 13th May, 2022 (Valuation Report) issued by Mr. Anandkumar Gawade, Chartered Accountants & Registered Valuers (vide Registered valuer number - IBBI/RV/05/2019/10746), describing, inter alia, the methodologies adopted by them in arriving at the recommended Share Exchange Ratio and setting out the detailed computation of Share Exchange Ratio for the proposed Demerger.
- c) Fairness opinion dated 13th May, 2022 issued by Finshore Management Services Limited, SEBI Registered merchant banker (SEBI Registration No. INM000012185) on valuation of assets/shares done by the valuer for the listed entity and unlisted entity.
- d) Auditors Certificate dated 16th May, 2022, issued by P C N & Associates., to the effect that the accounting treatment contained in the scheme is in compliance with all the Accounting Standards specified by the Central Government under Section 133 of the Companies Act, 2013 read with the rules framed there under or the Accounting Standards issued by ICAI, as applicable, and other generally accepted accounting principles.
- e) Other presentations, reports, documents and information made to/ furnished before the Audit Committee pertaining to the draft Scheme.

Recommendation of the Audit Committee

The Audit Committee has reviewed the Valuation Report and noted the recommendations made therein. Further, the Fairness Opinion has confirmed that the recommended Share Exchange Ratio by the valuers in the Valuation Report are fair to the shareholders of the Company.

Taking into consideration the draft Scheme, Valuation Report, Fairness Opinion, need for the Scheme, rationale of the scheme, synergies of business of the entities involved in the scheme, impact of the Scheme on the shareholders, cost benefit analysis of the Scheme, and other relevant documents, as placed, the Audit Committee recommends the draft Scheme for favourable consideration and approval by the Board of Directors of the Company, Stock Exchanges, SEBI and other appropriate authorities.



On behalf of the Audit Committee of
CES Limited


Tummala Muralikrishna
Chairman of Audit committee
DIN: 01889806



Place: Vijayawada
Date: 16-05-2022



To,
The Board of Directors
CES Limited
Seventh Floor, Tower- A
Ramky Selenium Building
Plot No.31& 32, Nanakramguda,
Gachibowli
Hyderabad - 500032

Sub: Fairness Opinion on Share Entitlement Report on Proposed Scheme of Arrangement between the listed entity CES Limited (Demerged Company or Transferor Company or CESL) and CES Technology Services Private Limited (Resulting Company or Transferee Company or CT SPL)

Dear Sir/Madam,

1. ENGAGEMENT BACKGROUND

We understand that **CES Limited**, incorporated on April 10, 1985, having its Registered Office at Seventh Floor, Tower- A, Ramky Selenium Building, Plot No.31& 32, Nanakramguda, Gachibowli, Hyderabad – 500032 (here in after referred as **Demerged Company or Transferor Company or CESL**), has two divisions i.e. IT Division and ITES Division.

As decided by the Board of Directors of CESL, the ITES business division shall, under the provisions of Section 230 to 232 and all other applicable provisions, if any, of the Companies Act, be transferred to **CES Technology Services Private Limited (Resulting Company or Transferee Company or CT SPL)** as a going concern. The Scheme further provides for existing share capital of Rs. 100,000 of CES Technologies P Ltd being cancelled by way of capital reduction and the Face value of CES Ltd will be reduced from Rs. 10 to Rs.7 and the Scheme provides that there will be no change in the shareholding pattern of CES Ltd and CES Technology Services Private Limited (post Scheme of Arrangement).

We further understand that the Share Entitlement Report dated May 13, 2022 is prepared by Registered Valuer Mr. Anandkumar Gawade (the "Valuer").

In connection with the aforesaid, you have requested our Opinion as to the fairness of the Share Entitlement Report, as recommended by the Valuer.

2. BACKGROUND OF THE COMPANIES

CES Limited was incorporated on April 10, 1985, having its Registered Office at Seventh Floor, Tower- A, Ramky Selenium Building, Plot No.31& 32, Nanakramguda, Gachibowli, Hyderabad – 500032.



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FINSHORE MANAGEMENT SERVICES LIMITED

(CIN : U74900WB2011PLC169377) • Website : www.finshoregroup.com

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CES Limited is an Information Technology (IT) and Information Technology Enabled Services (ITES) provider, dedicated to serving the midsize market of global enterprises. It is a listed company with shares quoted on the BSE. It has two divisions i.e. IT Division and ITES Division.

- The shareholding pattern of CESL as on December 31, 2021 is as follows:

Sl. No.	Category	No. of Shares	% Holding
1.	Promoter & Promoter Group	2,72,42,012	74.84%
2.	Public	91,57,988	25.16%
Total		3,64,00,000	100%

CES Technology Services Private Limited ("CTSPL") is a wholly owned subsidiary of CES Limited.

CTSPL was incorporated on March 08, 2010 having its Registered Office at South Wing B Division, Fourth Floor, Tower- A Ramky Selenium Building, Nanakramguda, Gachibowli, Hyderabad – 500032.

[source: Valuation report and information made available to us by the company]

3. SOURCES OF INFORMATION

We have relied on the following information for forming our opinion on the fairness of the Share Entitlement Report:-

- Audited Annual Accounts of the Companies for FY 2020-21;
- Share Entitlement report dated May 13, 2022 issued by Mr. Anandkumar Gawade (Registered Valuer);
- Shareholding Pattern of CESL and CES Technology Services Private Limited as on December 31, 2021
- AOA and MOA of CESL.
- Brief Overview of the Companies and its past & current operations;
- Draft Scheme of Arrangement
- Other information provided, as well as discussions held with, the Management of the Companies and other key personnel regarding past, current & future business operations;
- Such other necessary information as considered relevant.

4. THE SCHEME IS CONDITIONAL UPON THE FOLLOWING FACTORS:

- The Company obtaining the observation letter from the designated Stock Exchange for the implementation of the Scheme.
- The Scheme is subject to approval by the respective requisite majorities of members of the Company as required under the Act.



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as amended from time to time "Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957" and as may be required by law in respect of this Scheme will be made.

- d. The Scheme is subject to approval by the National Company Law Tribunal read with all other applicable provisions if any, of the Act or of such other authority having jurisdiction under applicable law, being obtained as applicable.
- e. The certified copy of the above order of the NCLT sanctioning this Scheme will be filed with the Registrar of Companies if applicable.

5. SCOPE AND LIMITATIONS/CAVEATS

- a. Our opinion and analysis is limited to the extent of review of documents as provided to us by the entities including the Share Entitlement report by the Registered Valuer Mr. Anandkumar Gawade dated May 13, 2022. We have relied upon the accuracy and completeness of all information and documents provided to us, without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not reviewed any financial statement relating to these Companies. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the entities.
- b. In rendering our opinion, we have assumed that the Scheme of Arrangement will be implemented on the terms described therein without any waiver or modification of any material terms or conditions and that in the course of obtaining the necessary regulatory approvals to the Scheme of Arrangement, no delay, limitation, restriction or conditions will be imposed that would have an adverse effect on the Scheme.
- c. We do not express an opinion as to any tax or other consequences that might arise from the Scheme of Arrangement nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Companies have obtained such advice as it deemed necessary from qualified professionals.
- d. We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof. Our opinion is specific to the arrangement as contemplated in the Scheme of Arrangement provided to us and is not valid for any other purpose.
- e. Our engagement and opinion expressed herein are for the use of Board of Directors of the Companies in connection with the Scheme of Arrangement and for no other purpose. Neither we nor any of our affiliates, partners, directors, shareholders, managers, employees or agents or



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- any of them make any representation or warranty, express or implied, as to the information and documents provided to us, based on which the opinion has been issued. All such parties and entities expressly disclaim any and all liability for or based on or relating to any such information contained therein.
- f. No decision should be taken based on this Report by any person intending to provide finance or invest in shares of the Companies and shall do so after seeking their own professional advice and carrying out their own due diligence to ensure that they are making an informed decision.
 - g. Our opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme of Arrangement, if required or any matter related thereto.
 - h. Reproduction, Copying or otherwise quoting of our Report or any parts thereof, other than in connection with the scheme of Arrangement, can be done only with our prior consent in writing.
 - i. Our report should not be construed as an opinion or certificate certifying the compliance of the Proposed Scheme of Arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implication or issues arising from proposed Arrangement.
 - j. Our opinion is restricted to the Fairness opinion on the Share Entitlement report given by the Registered Valuer as required under Circular No CFD/DIL3/CIR/2017/21 dated 10th March, 2017 amended by Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018 issued by the SEBI, further by Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 and Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, as amended from time to time "Master Circular on (i) Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957".
 - k. The fairness opinion is based on and is subject to the condition's precedent mentioned under Point 4 "The Scheme is conditional upon".
 - l. We have no present or planned future interest in the entities and the fee payable for this opinion is not contingent upon the opinion reported herein. The company has been provided with an opportunity to review the draft opinion as a part of our standard practice to make sure that factual accuracy / omissions are avoided in our final opinion.
 - m. The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Report. This opinion is issued on the understanding that the Management has drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Report.



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opportunity to review the draft opinion as a part of our standard practice to make sure that factual accuracy / omissions are avoided in our final opinion.

- m. The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Report. This opinion is issued on the understanding that the Management has drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Report.
- n. This Fairness opinion report is subject to the scope and limitations detailed herein. As such the report is to be read in totality, and not in parts and in conjunction with the relevant documents referred to in this report. This report has been issued only for the purpose of the facilitating the Scheme and should not be used for any other purpose.

6. OPINION

With reference to above and based on information provided by Management and after discussions with the Registered Valuer, we understand that the Scheme of Arrangement includes:

- i) ITES business division of CES Limited shall be transferred to CES Technology Services Private Limited as a going concern
- ii) existing share capital of Rs. 100,000 of CES Technologies P Ltd being cancelled by way of capital reduction,
- iii) the Face value of CES Ltd will be reduced from Rs. 10 to Rs.7 and
- iv) the Scheme provides that there will be no change in the shareholding pattern of CES Ltd and CES Technology Services Private Limited (post Scheme of Arrangement).

Considering above and subject to our caveats as provided in annexure, we, as a Merchant Banker, have reviewed the Share Entitlement report, as given below:

As per the Draft Scheme of Arrangement, the demerged undertaking, i.e. ITES division is proposed to be demerged from the CES Ltd to CES Technologies Services Private Limited. CES Ltd has identified all the assets and liabilities forming part of ITES Division to be transferred to CT SPL.

The scheme further specifies that the paid-up share capital of CT SPL (Pre scheme) i.e., Rs 1,00,000/- shall be cancelled by way of capital reduction. Also, the paid up capital of CES Limited would be reduced to Face value of Rs 7 from Rs 10 by way of capital reduction.

Upon the scheme being effective, all the shareholders of CES Limited would also become the shareholders of CT SPL in the same proportion and with the entire outstanding issued and paid-up share capital of CT SPL, prior to the Scheme of Arrangement being held by CES Ltd getting cancelled by way of a capital reduction as part of the scheme, will result in their shareholding pattern in CES Technology Services Private Limited becoming a mirror image of their existing shareholding pattern in CES Limited prior to Scheme of Arrangement.



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FINSHORE MANAGEMENT SERVICES LIMITED

(CIN : U74900WB2011PLC169377) • Website : www.finshoregroup.com

Regd. Office : "Anandlok" 2nd Floor, Block-A, Room No. 207, 227, A. J. C. Bose Road, Kolkata-700 020 West Bengal, India Ph. : 033 2289 5101

Creating Enterprise Managing Values

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Based on the above-mentioned facts as confirmed by the Management and upon the scheme being effective (post Scheme of Arrangement), the holding proportion of the existing shareholders in the demerged company (CES Ltd-Listed entity) will be identical to that in the resulting company (CES Technology Services Private Limited). The beneficial economic interest of demerged company shareholders in resulting company will remain same as prior to the Scheme of Arrangement and hence it would not have any effect on economic interest of the shareholders of the demerged company post Scheme of Arrangement, wherein they will hold shares in the same proportion of both CESL and CTSPL. The Proposed Scheme of Arrangement will not result in either increase or decrease in the total value to the Demerged company's shareholders. Hence, any share entitlement ratio can be considered appropriate and fair for the Proposed Scheme of Arrangement, since the proportionate equity shareholding pattern of all the shareholders prior to Scheme of Arrangement and post-Scheme of Arrangement would remain same and will not vary.

As per the Scheme of arrangement, the management has proposed to issue 1,82,00,000 equity shares of Rs. 3 each of CTSPL against 3,64,00,000 equity shares of CES Ltd of Rs. 7 each, and the same will become the issued, subscribed and fully paid-up equity share capital of CTSPL. Thus, the Resulting Company shall issue one equity share for every two equity shares held by the shareholders of the Demerged Company. This will reflect the same shareholding pattern of equity shares as CES Limited and mirror shareholding pattern prior to the Proposed Scheme of Arrangement.

So, we are of the opinion that the above recommendation is fair and reasonable to the equity shareholders of the companies.

For Finshore Management Services Limited
SEBI Regd. CAT-I Merchant Banker, Regn No. INM000012185


S. Ramakrishna Iyengar
Director



Place: Kolkata
Date: May 13, 2022

Format of holding of specified securities (Post arrangement)

1 Name of the Listed Entity : CES LIMITED
2 Scrip Code/Name of Scrip/Class of Security : /CES LIMITED/EQUITY

Isin INE396F01013

5 Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information :-

	Particulars	*Yes	No*	Promoter and Promoter Group	Public Share Holders	Non Promoter-Non Public
1	Whether the Listed Entity has issued any partly paid up shares?		No	No	No	No
2	Whether the Listed Entity has issued any Convertible Securities?		No	No	No	No
3	Whether the Listed Entity has issued any Warrants?		No	No	No	No
4	Whether the Listed Entity has any shares against which depository receipts are issued?		No	No	No	No
5	Whether the Listed Entity has any shares in locked-in?		No	No	No	No
6	Whether any shares held by promoters are pledge or otherwise encumbered?		No	No	N.A	N.A
7	Whether company has equity shares with differential voting rights?		No	No	No	No
8	Whether the listed entity has any significant beneficial owner?					

K Mohan Kumar



Date.

→ 16.05.2022

Table I - Summary Statement holding of specified securities

Table I - Summary Statement holding of specified securities																		
Cat ego ry (i)	Category of shareholder (ii)	No. of share holders (iii)	No. of fully paid up equity shares held (iv)	No. of Partly paid-up equity shares held (v)	Nos. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii = iv+v+vi)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)(Viii) As a % of (A+B+C2)	Number of Voting Rights held in each class of Securities (ix)				No. of Shares Underlyi ng Outstand ing converta ble securities (includin g Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (xi)=(vii)+(x) as a % of (A+B+C2)	Number of Locked in shares (Xii)		Number of Shares pledged or otherwise encumbered (Xiii)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	
								Class eg:X*	Class eg:Y	Total								
(A)	Promoter & Promoter Group	12	27242012	0	0	27242012	74.84	27242012	0	27242012	74.84	0	74.84	0	0	0	0	27242012
(B)	Public	14	9157988	0	0	9157988	25.16	9157988	0	9157988	25.16	0	25.16	0	0	0	0	9157988
(C)	Non Promoter-Non Public																	
(C1)	Shares underlying DRs	0	0	0	0	0	N.A	0	0	0	0	0	0	0	0	0	0	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	26	36400000	0	0	36400000	100	36400000	0	36400000	100	0	100	0	0	0	0	34255200

*X = Equity

Face Value of shares - Rs. 7/-

Kashana Res.



Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category & Name of the Shareholders (i)	Entity type i.e. promoter OR promoter group entity (except promoter)	PAN (ii)	No. of share holders (iii)	No. of fully paid up equity shares held (iv)	Partly paid- up equity shares held (v)	Nos. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii) = (iv+v+vi)	Share holding % calculated as per SCRR,195 7 As a % of (A+B+C2) (viii)	Number of Voting Rights held in each class of Securities (ix)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (xi)-(vii)-(x) as a % of A+B+C2	Number of Locked in shares (Xii)		Number of Shares pledged or otherwise encumbered (Xiii)		Number of equity shares held in dematerialized form (XIV)					
															No. of Voting Rights					Total as a % of Total Voting rights	No. (a)	As a % of Total Shares held (b)	No. (a)	As a % of total shares held (b)
															Class X*	Class Y	Total							
1 Indian																								
(a) Individuals/Hindu undivided Family			3	2859612	0	0	2859612	7.86	2859612	0	2859612	7.86	0	7.86	0	0	0	0	0	2859612				
Y S CHAKRAVARTI		AAEPY9321N	1	1445612	0	0	1445612	3.97	1445612	0	1445612	3.97	0	3.97	0	0	0	0	0	1445612				
KALAMATI SUJATHA		ABSPY7245C	1	714000	0	0	714000	1.96	714000	0	714000	1.96	0	1.96	0	0	0	0	0	714000				
MOHANA RAO KANCHARLA		ANBPX291BH	1	700000	0	0	700000	1.92	700000	0	700000	1.92	0	1.92	0	0	0	0	0	700000				
(b) Central Government/ State Government(s)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
(c) Financial Institutions/Banks			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
(d-i) Corporate Bodies			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
(d-ii) Corporate Bodies - Group Company			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
(d-iii) Trust/ Promoter Directors/Promoters & their Relatives & Friends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Sub-Total(A)(1)			3	2859612	0	0	2859612	7.86	2859612	0	2859612	7.86	0	7.86	0	0	0	0	0	2859612				
2 Foreign																								
(a) Individuals/Non-Resident Individuals/ Foreign Individuals			9	24382400	0	0	24382400	66.98	24382400	0	24382400	66.98	0	66.98	0	0	0	0	0	24382400				
VENKATA SUBBA RAO KANCHERLA		AIIYK0686L	1	14000	0	0	14000	0.04	14000	0	14000	0.04	0	0.04	0	0	0	0	0	14000				
RAM RAO KANCHARLA		AJSPR0618J	1	10280200	0	0	10280200	28.24	10280200	0	10280200	28.24	0	28.24	0	0	0	0	0	10280200				
VENKATESWARA RAO DAVARAPALLI		AKBP06586F	1	8838200	0	0	8838200	24.28	8838200	0	8838200	24.28	0	24.28	0	0	0	0	0	8838200				
RAMA DEVI DAVARAPALLI		BRUPD4537M	1	875000	0	0	875000	2.4	875000	0	875000	2.4	0	2.4	0	0	0	0	0	875000				
SUNIL KANCHARLA		DCPPK4489D	1	875000	0	0	875000	2.4	875000	0	875000	2.4	0	2.4	0	0	0	0	0	875000				
SREEVANI KANCHARLA		DCPPK4492G	1	875000	0	0	875000	2.4	875000	0	875000	2.4	0	2.4	0	0	0	0	0	875000				
SAI KRISHNA KANCHARLA		DCPPK4493H	1	875000	0	0	875000	2.4	875000	0	875000	2.4	0	2.4	0	0	0	0	0	875000				
NICHU SRI DAVARAPALLI		ESMPD6651J	1	875000	0	0	875000	2.4	875000	0	875000	2.4	0	2.4	0	0	0	0	0	875000				
NITYA SRI DAVARAPALLI		ESPPD226DE	1	875000	0	0	875000	2.4	875000	0	875000	2.4	0	2.4	0	0	0	0	0	875000				
(b) Government			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
(c) Institutions			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
(d) Foreign Portfolio Investor			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
(f-i) Corporate Bodies - Foreign Body			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
(f-ii) Corporate Bodies - OCB Non- Repatriable			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
(f-iii) Corporate Bodies - OCB Repatriable			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
(f-iv) Foreign Institutional Investor (FII) - Others			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
(f-v) Foreign Institutional Investor (FII) - DR			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
(f-vi) Bank - Foreign Bank			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
(f-vii) Trust			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Sub-Total(A)(2)			9	24382400	0	0	24382400	66.98	24382400	0	24382400	66.98	0	66.98	0	0	0	0	0	24382400				
Total shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)			12	27242012	0	0	27242012	74.84	27242012	0	27242012	74.84	0	74.84	0	0	0	0	0	27242012				

*X = Equity

K Mohana Rao



Table III - Statement showing shareholding pattern of the Public shareholder

Table III - Statement showing shareholding pattern of the Public shareholder																			
Category & Name of the Shareholders (i)	PAN (ii)	No. of share holders (iii)	No. of fully paid up equity shares held (iv)	Partly paid-up equity shares held (v)	Nos. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii) = iv+v+vi)	Share holding % calculated as per SCRR, 1957 As a % of (A+B+C2) (viii)	Number of Voting Rights held in each class of Securities (ix)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (xi)=(vii)+(x) as a % of A+B+C2	Number of Locked in shares (Xii)		Number of Shares pledged or otherwise encumbered (Xiii)		Number of equity shares held in dematerialized form (XIV)	
								No. of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)		
								Class X*	Class Y	Total									
1 Institutions																			
(a) Mutual Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(b) Venture Capital Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(c) Alternate Investment Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(d) Foreign Venture Capital Investors		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(e) Foreign Portfolio Investor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(f) Financial Institutions/Banks		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(g) Insurance Companies		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(h) Provident Funds/ Pension Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(i-i) Bank - Foreign Bank		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(i-ii) Foreign Institutional Investors		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
Sub-Total(B)(1)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
2 Government/State Government(s)/President of India																			
Central Government/State Government(s)/ President of India		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
Sub-Total(B)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
3 Non-Institutions																			
i. Individual shareholders holding nominal share capital up to Rs.2 lakhs																			
(a-i)		3	13468	0	0	13468	0.04	13468	0	13468	0.04	0	0.04	0	0	0	N.A	N.A	13468
ii. Individual shareholders holding nominal share capital excess Rs.2 lakhs																			
(a-ii)		10	9106720	0	0	9106720	25.02	9106720	0	9106720	25.02	0	25.02	0	0	0	N.A	N.A	6961920
M. S. CHOWDARY	ADPPM7515G	1	649600	0	0	649600	1.78	649600	0	649600	1.78	0	1.78	0	0	0	N.A	N.A	649600
MADDUKURI HEMALATHA	ANCPM0145R	1	1540000	0	0	1540000	4.23	1540000	0	1540000	4.23	0	4.23	0	0	0	N.A	N.A	1540000
M. BABU RAO	ANCPM0158L	1	2010400	0	0	2010400	5.52	2010400	0	2010400	5.52	0	5.52	0	0	0	N.A	N.A	0
POKURI SWARNALATHA	AOIPP2500C	1	3165120	0	0	3165120	8.7	3165120	0	3165120	8.7	0	8.7	0	0	0	N.A	N.A	3165120
DIHARMA SASTHA KANCHARLA	AQLPK6662K	1	1377600	0	0	1377600	3.78	1377600	0	1377600	3.78	0	3.78	0	0	0	N.A	N.A	1377600
(b) NBFCs Registered with RBI		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(c) Employee Trusts		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(d) Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
Non-Resident Indian (NRI) - Non																			
(e-i) Repatriable		1	37800	0	0	37800	0.1	37800	0	37800	0.1	0	0.1	0	0	0	N.A	N.A	37800
(e-ii) Non-Resident Indian (NRI) - Repatriable		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
Corporate Bodies																			
(e-iii)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(e-iv) Corporate Bodies - Foreign Bodies		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(e-v) Clearing Member		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(e-vi) Corporate Bodies - OCB Non Repatriable		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(e-vii) Corporate Bodies - OCB Repatriable		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(e-viii) Foreign National - FN		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0




K Mohan Rao

Category & Name of the Shareholders (i)	PAN (ii)	No. of share holders (iii)	No. of fully paid up equity shares held (iv)	Partly paid- up equity shares held (v)	Nos. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii) = iv+v+vi)	Share holding % calculated as per SCRR, 195 7 As a % of (A+B+C2) (viii)	Number of Voting Rights held in each class of Securities (ix)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (xi)=(vii)+(x) as a % of A+B+C2	Number of Locked in shares (Xii)		Number of Shares pledged or otherwise encumbered (Xiii)		Number of equity shares held in dematerialized form (XIV)	
								No. of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)		
								Class X*	Class Y	Total									
1 Custodian/DR Holder																			
(a) Custodian/DR Holder		0	0	0	0	0	N.A	0	0	0	0	0	0	0	0	0	N.A	N.A	0
Sub-Total[C](1)		0	0	0	0	0	N.A	0	0	0	0	0	0	0	0	0	N.A	N.A	0
Employee Benefit Trust (under SEBI (Share based Employee Benefit 2 Regulations, 2014)																			
(a) Employees Benefit Trust (Under SEBI (Share based Employee Benefit) Regulations, 2014		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
Sub-Total[C](2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
Total Non-Promoter-Non Public Shareholding (C)=(C)(1)+(C)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0

*X = Equity

K Mohan Rao



- 1 Name of the Listed Entity : CES LIMITED
 2 Scrip Code/Name of Scrip/Class of Security : /CES LIMITED/EQUITY

5 Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information :-

	Particulars	*Yes	No*	Promoter and Promoter Group	Public Share Holders	Non Promoter-Non Public
1	Whether the Listed Entity has issued any partly paid up shares?		No	No	No	No
2	Whether the Listed Entity has issued any Convertible Securities?		No	No	No	No
3	Whether the Listed Entity has issued any Warrants?		No	No	No	No
4	Whether the Listed Entity has any shares against which depository receipts are issued?		No	No	No	No
5	Whether the Listed Entity has any shares in locked-in?		No	No	No	No
6	Whether any shares held by promoters are pledge or otherwise encumbered?		No	No	N.A	N.A
7	Whether company has equity shares with differential voting rights?		No	No	No	No
8	Whether the listed entity has any significant beneficial owner?					

K. Nishant Das



Date - 16.05.2022

Category (i)	Category of shareholder (ii)	No. of share holders (iii)	No. of fully paid up equity shares held (iv)	No. of Partly paid-up equity shares held (v)	Nos. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii = iv+v+vi)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)(VIII) As a % of (A+B+C2)	Table I - Summary Statement holding of specified securities											
								Number of Voting Rights held in each class of Securities (ix)				No. of Shares Underlying & Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (xi)=(vii)+(x) as a % of (A+B+C2)	Number of Locked in shares (Xii)		Number of Shares pledged or otherwise encumbered (Xiii)		Number of equity shares held in dematerialized form (Xiv)	
														No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)		
								Class eg: X*	Class eg: Y	Total	Total as a % of (A+B+C)	No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)				
(A) Promoter & Promoter Group		12	27242012	0	0	27242012	74.84	27242012	0	27242012	74.84	0	0	0	0	27242012			
(B) Public		14	9157988	0	0	9157988	25.16	9157988	0	9157988	25.16	0	0	0	0	7013188			
(C) Non Promoter-Non Public																			
(C1) Shares underlying DRs		0	0	0	0	0	N.A	0	0	0	0	0	0	0	0	0			
(C2) Shares held by Employee Trusts		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Total		26	36400000	0	0	36400000	100	36400000	0	36400000	100	0	0	0	0	34255200			

*X = Equity
Face Value of shares - Rs. 10/-

*X = Equity
Face Value of shares - Rs. 10/-

K. N. Sharma



Category & Name of the Shareholders (i)	Entity type i.e. promoter OR promoter group entity (except promoter)	PAN (ii)	No. of share holders (iii)	No. of fully paid up equity shares held (iv)	Partly paid-up equity shares held (v)	Nos. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii) = (iv+vi+vi)	Share holding % calculate d as per SCRR,1957 As a % of (A+B+C2) (viii)	Number of Voting Rights held in each class of Securities (ix)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (xi)=(vii)+(x) as a % of A+B+C2	Number of Locked in shares (Xii)		Number of Shares pledged or otherwise encumbered (Xiii)		Number of equity shares held in dematerialized form (XIV)
														No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	
																		No. of Voting Rights
									Class X*	Class Y	Total							
1 Indian																		
(a) Individuals/Hindu undivided Family			3	2859612	0	0	2859612	7.86	2859612	0	2859612	7.86	7.86	0	0	0	0	2859612
Y S CHAKRAVARTI		AJEPY9323N	1	1445612	0	0	1445612	3.97	1445612	0	1445612	3.97	3.97	0	0	0	0	1445612
YALAMATI SURIATHA		ABSPY7245C	1	714000	0	0	714000	1.96	714000	0	714000	1.96	1.96	0	0	0	0	714000
MOHANA BAO KANCHARLA		ANBPK2918H	1	700000	0	0	700000	1.92	700000	0	700000	1.92	1.92	0	0	0	0	700000
(b) Central Government/ State Government(s)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c) Financial institutions/Banks			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d-i) Corporate Bodies			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d-ii) Corporate Bodies - Group Company			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d-iii) Trust/ Promoter Directors/Promoters & their Relatives & Friends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(v) Sub-Total(A)(I)			3	2859612	0	0	2859612	7.86	2859612	0	2859612	7.86	7.86	0	0	0	0	2859612
2 Foreign																		
(a) Individuals(Non-Resident Individuals/ Foreign Individuals)			9	24382400	0	0	24382400	66.98	24382400	0	24382400	66.98	66.98	0	0	0	0	24382400
VENKATA SUBBA RAO KANCHERLA		AHPND686L	1	14000	0	0	14000	0.04	14000	0	14000	0.04	0.04	0	0	0	0	14000
RAM RAO KANCHARLA		ASPR0618J	1	10280200	0	0	10280200	28.24	10280200	0	10280200	28.24	28.24	0	0	0	0	10280200
VENKATESWARA RAO DAVARAPALLI		AKRFD5586F	1	8838200	0	0	8838200	24.28	8838200	0	8838200	24.28	24.28	0	0	0	0	8838200
RAMA DEVI DAVARAPALLI		BRUPD4537M	1	875000	0	0	875000	2.4	875000	0	875000	2.4	2.4	0	0	0	0	875000
SUNIL KANCHARLA		DCPPK4489D	1	875000	0	0	875000	2.4	875000	0	875000	2.4	2.4	0	0	0	0	875000
SREEVARI KANCHARLA		DCPPK4482G	1	875000	0	0	875000	2.4	875000	0	875000	2.4	2.4	0	0	0	0	875000
JAI KRISHNA KANCHARLA		DCPPK4483H	1	875000	0	0	875000	2.4	875000	0	875000	2.4	2.4	0	0	0	0	875000
NEELI SRI DAVARAPALLI		ESMPD665LJ	1	875000	0	0	875000	2.4	875000	0	875000	2.4	2.4	0	0	0	0	875000
NETYA SRI DAVARAPALLI		ESPPD2260E	1	875000	0	0	875000	2.4	875000	0	875000	2.4	2.4	0	0	0	0	875000
(b) Government			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c) Institutions			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d) Foreign Portfolio Investor			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f-i) Corporate Bodies - Foreign Body			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f-ii) Corporate Bodies - OCB Non Repatriable			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f-iii) Corporate Bodies - OCB Repatriable			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f-iv) Foreign Institutional Investor (FII) - Others			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f-v) Foreign Institutional Investor (FII) - DR			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f-vi) Bank - Foreign Bank			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f-vii) Trust			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f-viii) Sub-Total(A)(2)			9	24382400	0	0	24382400	66.98	24382400	0	24382400	66.98	66.98	0	0	0	0	24382400
Total shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)																		
			12	27242012	0	0	27242012	74.84	27242012	0	27242012	74.84	74.84	0	0	0	0	27242012

*X = Equity

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Table III - Statement showing shareholding pattern of the Public shareholder																		
Category & Name of the Shareholders (i)	PAN (ii)	No. of share holders (iii)	No. of fully paid up equity shares held (iv)	Partly paid-up equity shares held (v)	Nos. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii) = (iv+v+vi)	Share holding % calculated as per SCRR,1957 As a % of (A+B+C2) (viii)	Number of Voting Rights held in each class of Securities (ix)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (K)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (x) [(vii)+(j)+(k) as a % of A+B+C2]	Number of Locked in shares (Xii)		Number of Shares pledged or otherwise encumbered (Xiii)		Number of equity shares held in dematerialized form (Xiv)	
								No. of Voting Rights					Total as a % of Total Voting rights	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total shares held (b)
								Class X*	Class Y	Total								
I Institutions																		
(a) Mutual Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
(b) Venture Capital Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
(c) Alternate Investment Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
(d) Foreign Venture Capital Investors		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
(e) Foreign Portfolio Investor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
(f) Financial Institutions/Banks		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
(g) Insurance Companies		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
(h) Provident Funds/ Pension Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
(i-v) Bank - Foreign Bank		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
(i-vi) Foreign Institutional Investors		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
Sub-Total (B)(1)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
2 Government(s)/President of India																		
Central Government/State Government(s)/ President of India		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
Sub-Total (B)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
3 Non-Institutions																		
(i) Individual shareholders holding nominal share capital up to Rs 2 lakhs		3	13468	0	0	13468	0.04	13468	0	13468	0.04	0	0.04	0	0	N/A	N/A	0
(i-v) Individual shareholders holding nominal share capital excess Rs 2 lakhs		10	9106720	0	0	9106720	25.02	9106720	0	9106720	25.02	0	25.02	0	0	N/A	N/A	13468
M. J. CHOWDARY	ADPPM7515G	1	649600	0	0	649600	1.78	649600	0	649600	1.78	0	1.78	0	0	N/A	N/A	649600
MADHUKURI HENALATHA	ANCPM0145R	1	1540000	0	0	1540000	4.29	1540000	0	1540000	4.29	0	4.29	0	0	N/A	N/A	1540000
M. BABU RAO	ANCPM0158I	1	2010400	0	0	2010400	5.52	2010400	0	2010400	5.52	0	5.52	0	0	N/A	N/A	2010400
POKURI SWARNALATHA	ACIPP7500C	1	3165120	0	0	3165120	8.7	3165120	0	3165120	8.7	0	8.7	0	0	N/A	N/A	3165120
DHARMA SASTHA KANCHARLA	AQLPR666ZK	1	1377600	0	0	1377600	3.78	1377600	0	1377600	3.78	0	3.78	0	0	N/A	N/A	1377600
NBFCs Registered with RBI		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
Employees Trusts		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
(d) Non Resident Indian (NRI) - Non Repatriable		1	37800	0	0	37800	0.1	37800	0	37800	0.1	0	0	0	0	N/A	N/A	0
(e-v) Non Resident Indian (NRI) - Repatriable		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
(e-vi) Non Resident Indian (NRI) - Repatriable		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
(iii) Corporate Bodies		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
(e-vi) Corporate Bodies - Foreign Bodies		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
(e-vii) Corporate Bodies - Foreign Bodies		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
(e-viii) Clearing Member		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
(e-viii) Corporate Bodies - OCB Non Repatriable		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
(e-viii) Corporate Bodies - OCB Repatriable		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
(e-viii) Foreign National - FN		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
(e-ix) Trust		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
(e-x) Qualified Foreign investor - Individual		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
(e-xi) Qualified Foreign investor - Corporate		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
(e-xii) Unclaimed Susp A/c		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
(e-xiii) IEPF		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A	0
Sub-Total (B)(3)		14	9157988	0	0	9157988	25.16	9157988	0	9157988	25.16	0	25.16	0	0	N/A	N/A	0
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)		14	9157988	0	0	9157988	25.16	9157988	0	9157988	25.16	0	25.16	0	0	N/A	N/A	0
*X - Equity																		

*X = Equity

Y
K Mohan Reddy



Table IV - Statement showing shareholding pattern of the Non Promoter-Non Public Shareholder

Table IV - Statement showing shareholding pattern of the Non Promoter-Non Public Shareholder																		
Category & Name of the Shareholders (i)	PAN (ii)	No.of share holders (iii)	No.of fully paid up equity shares held (iv)	Partly paid- up equity shares held (v)	Nos.of shares underlying Depository Receipts (vi)	Total nos. shares held (vii = iv+v+vi)	Share holding % calculated as per SCRR,195 7 As a % of (A+B+C2) (viii)	Number of Voting Rights held in each class of Securities (ix)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertable securities (as a percentage of diluted share capital) (xi)=(vii)+(x) as a % of A+B+C2	Number of Locked in shares (Xii)		Number of Shares pledged or otherwise encumbered (Xiii)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	
								Class X*	Class Y	Total								
1 Custodian/DR Holder																		
(a) Custodian/DR Holder		0	0	0	0	0	N.A	0	0	0	0	0	0	0	0	N.A	N.A	0
Sub-Total[C](1)		0	0	0	0	0	N.A	0	0	0	0	0	0	0	0	N.A	N.A	0
Employee Benefit Trust (under SEBI (Share based Employee Benefit 2 Regulations, 2014)																		
(a) Employees Benefit Trust (Under SEBI (Share based Employee Benefit) Regulations, 2014		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
Sub-Total[C](2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
Total Non-Promoter-Non Public Shareholding (C)=(C)(1)+(C)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0

*X = Equity

K. Nishant Des



Format of holding of specified securities (Post arrangement)

1 Name of the Entity : CES TECHNOLOGY SERVICESPRIVATE LIMITED (Resulting Company)

5 Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information :-

Particulars	*Yes	No*	Promoter and Promoter Group	Public Share Holders	Non Promoter-Non Public
1 Whether the Listed Entity has issued any partly paid up shares?		No	No	No	No
2 Whether the Listed Entity has issued any Convertible Securities?		No	No	No	No
3 Whether the Listed Entity has issued any Warrants?		No	No	No	No
4 Whether the Listed Entity has any shares against which depository receipts are issued?		No	No	No	No
5 Whether the Listed Entity has any shares in locked-in?		No	No	No	No
6 Whether any shares held by promoters are pledge or otherwise encumbered?		No	No	N.A	N.A
7 Whether company has equity shares with differential voting rights?		No	No	No	No
8 Whether the listed entity has any significant beneficial owner?					

K Mohan



Date - 16.05.2022

Table I - Summary Statement holding of specified securities																		
Category (i)	Category of shareholder (ii)	No. of share holders (iii)	No. of fully paid up equity shares held (iv)	No. of Partly paid-up equity shares held (v)	Nos. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii = iv+v+vi)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)(Viii) As a % of (A+B+C2)	Number of Voting Rights held in each class of Securities (ix)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (xi)=(vii)+(x) as a % of (A+B+C2)	Number of Locked in shares (Xii)		Number of Shares pledged or otherwise encumbered (Xiii)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	
								Class eg:X*	Class eg:Y	Total								
(A)	Promoter & Promoter Group	12	13,621,006	0	0	13,621,006	74.84	13,621,006	0	13,621,006	74.84	0	74.84	0	0	0	0	0
(B)	Public	14	4,578,994	0	0	4,578,994	25.16	4,578,994	0	4,578,994	25.16	0	25.16	0	0	0	0	0
(C)	Non Promoter-Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	N.A	0	0	0	0	0	0	0	0	0	0	0
	Total	26	18,200,000	0	0	18,200,000	100	18,200,000	0	18,200,000	100	0	100	0	0	0	0	0
*X = Equity Face Value of shares - Rs. 3/-																		

*X = Equity
Face Value of shares - Rs. 3/-

K Mohan Reddy



Category & Name of the Shareholders (i)	Entity type i.e. promoter OR promoter group entity (except promoter)	PAN (ii)	No. of share holders (iii)	No. of fully paid up equity shares held (iv)	Partly paid-up equity shares held (v)	Nos. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii = (iv)+(v))	Share holding % calculate d as per SCRR, 1957 As a % of (A+B+C2) (viii)	Number of Voting Rights held in each class of Securities (ix)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholdin g as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (xi)=(xii)-(x) as a % of A+B+C2	Number of Locked in shares (Xii)		Number of Shares pledged or otherwise encumbered (Xiii)		Number of equity shares held in dematerialized form (XIV)
									No. of Voting Rights						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	
									Class X*	Class Y	Total	Total as a % of Total Voting rights							
1 Indian																			
(a) Individuals/Hindu undivided Family																			
Y S CHAKRAVARTI			3	1,429,806	0	0	1,429,806	7.86	1,429,806	0	1,429,806	7.86	0	7.86	0	0	0	0	
YALAMATI SUJATHA		AAEPY9321N	1	722,806	0	0	722,806	3.97	722,806	0	722,806	3.97	0	3.97	0	0	0	0	
MOHANA RAO KANCHARLA		ABSPY7249C	1	357,000	0	0	357,000	1.96	357,000	0	357,000	1.96	0	1.96	0	0	0	0	
Central Government/ State Government(s)		ANBPK291BH	1	350,000	0	0	350,000	1.92	350,000	0	350,000	1.92	0	1.92	0	0	0	0	
(b) Financial Institutions/Banks			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(d-i) Corporate Bodies			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(d-ii) Corporate Bodies - Group Company			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(d-iii) Trust/ Promoter Directors/Promoters & their Relatives & Friends			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(v) Sub-Total(A)(1)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2 Foreign																			
(a) Individuals/Non-Resident Individuals/ Foreign Individuals																			
VENKATA SUBBA RAO KANCHERLA		AHPKD686L	9	12,191,200	0	0	12,191,200	66.98	12,191,200	0	12,191,200	66.98	0	66.98	0	0	0	0	
RAM RAO KANCHERLA		AJSPR0618H	1	7,000	0	0	7,000	0.04	7,000	0	7,000	0.04	0	0.04	0	0	0	0	
VENKATESWARA RAO DAVARAPALLI		AKBPD6586F	1	5,140,100	0	0	5,140,100	28.24	5,140,100	0	5,140,100	28.24	0	28.24	0	0	0	0	
RAMA DEVI DAVARAPALLI		BRUPD4537M	1	4,419,100	0	0	4,419,100	24.28	4,419,100	0	4,419,100	24.28	0	24.28	0	0	0	0	
SLNIL KANCHARLA		DCPPK4489D	1	437,500	0	0	437,500	2.4	437,500	0	437,500	2.4	0	2.4	0	0	0	0	
SREEVANI KANCHARLA		DCPPK4492G	1	437,500	0	0	437,500	2.4	437,500	0	437,500	2.4	0	2.4	0	0	0	0	
SAI KRISHNA KANCHARLA		DCPPK4493H	1	437,500	0	0	437,500	2.4	437,500	0	437,500	2.4	0	2.4	0	0	0	0	
NIDHI SRI DAVARAPALLI		ESMPD6651J	1	437,500	0	0	437,500	2.4	437,500	0	437,500	2.4	0	2.4	0	0	0	0	
NETTA SRI DAVARAPALLI		ESPPD2260E	1	437,500	0	0	437,500	2.4	437,500	0	437,500	2.4	0	2.4	0	0	0	0	
(b) Government Institutions			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(d) Foreign Portfolio Investor			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(f-i) Corporate Bodies - Foreign Body			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(f-ii) Corporate Bodies - OCB Non Repatriable			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(f-iii) Corporate Bodies - OCB Repatriable			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(f-iv) Foreign Institutional Investor (FII) - Others			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(f-v) Foreign Institutional Investor (FII) - DR			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(f-vi) Bank - Foreign Bank			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(f-vii) Trust			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(v) Sub-Total(A)(2)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)			9	12,191,200	0	0	12,191,200	66.98	12,191,200	0	12,191,200	66.98	0	66.98	0	0	0	0	
*X = Equity																			
			12	13,621,006	0	0	13,621,006	74.84	13,621,006	0	13,621,006	74.84	0	74.84	0	0	0	0	

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Table III - Statement showing shareholding pattern of the Public shareholder																		
Category & Name of the Shareholders (i)	PAN (ii)	No. of share holders (iii)	No. of fully paid up equity shares held (iv)	Partly paid-up equity shares held (v)	Nos. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii) = iv+v+vi	Share holding % calculated as per SCRR, 1957 As a % of (A+B+C2) (viii)	Number of Voting Rights held in each class of Securities (ix)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (x)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (xi)=(vii)+(x) as a % of A+B+C2	Number of Locked in shares (Xii)		Number of Shares pledged or otherwise encumbered (Xiii)		Number of equity share held in dematerialized form (XIV)
								No. of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	
								Class X*	Class Y	Total								
1 Institutions																		
(a) Mutual Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(b) Venture Capital Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(c) Alternate Investment Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(d) Foreign Venture Capital Investors		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(e) Foreign Portfolio Investor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(f) Financial Institutions/Banks		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(g) Insurance Companies		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(h) Provident Funds/ Pension Funds		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(i-i) Bank - Foreign Bank		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(i-ii) Foreign Institutional Investors		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
Sub-Total(B)(1)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
2 Government(s)/President of India																		
Central Government/State Government(s)/ President of India		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
Sub-Total(B)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
3 Non-Institutions																		
i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs																		
(a-i)		3	6734	0	0	6734	0.04	6734	0	6734	0.04	0	0.04	0	0	N.A	N.A	0
ii. Individual shareholders holding nominal share capital excess Rs.2 lakhs																		
(a-ii)		10	4553360	0	0	4553360	25.02	4553360	0	4553360	25.02	0	25.02	0	0	N.A	N.A	0
Shareholders holding more than 1% of the capital																		
M. S. CHOWDARY	ADPPM7515G	1	324800	0	0	324800	1.78	324800	0	324800	1.78	0	1.78	0	0	N.A	N.A	0
MADDOUKURI HEMALATHA	ANCPM0145R	1	770000	0	0	770000	4.23	770000	0	770000	4.23	0	4.23	0	0	N.A	N.A	0
M. BABU RAO	ANCPM0158L	1	1005200	0	0	1005200	5.52	1005200	0	1005200	5.52	0	5.52	0	0	N.A	N.A	0
POKURI SWARNALATHA	AOIPP2500C	1	1582560	0	0	1582560	8.7	1582560	0	1582560	8.7	0	8.7	0	0	N.A	N.A	0
DHARMA SASTHA KANCHARLA	AQLPK6662K	1	688800	0	0	688800	3.78	688800	0	688800	3.78	0	3.78	0	0	N.A	N.A	0
(b) NBFCs Registered with RBI		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(c) Employee Trusts		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(d) Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(e-i) Non-Resident Indian (NRI) - Non Repatriable		1	18900	0	0	37800	0.1	37800	0	37800	0.1	0	0.1	0	0	N.A	N.A	0
(e-ii) Non-Resident Indian (NRI) - Repatriable		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	37800
(e-iii) Corporate Bodies		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(e-iv) Corporate Bodies - Foreign Bodies		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(e-v) Clearing Member		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(e-vi) Corporate Bodies - OCB Non Repatriable		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(e-vii) Corporate Bodies - OCB Repatriable		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(e-viii) Foreign National - FN		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0

(e-viii)	Trust		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(e-x)	Qualified Foreign Investor - Individual		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(e-xi)	Qualified Foreign Investor - Corporate		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(e-xii)	Unclaimed Susp A/c		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
(e-xiii)	IEPF		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
	Sub-Total(B)(3)		14	4578994	0	0	4578994	25.16	4578994	0	4578994	25.16	0	25.16	0	0	0	N.A	N.A	0
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)		14	4578994	0	0	4578994	25.16	4578994	0	4578994	25.16	0	25.16	0	0	0	N.A	N.A	0

*X = Equity

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Table IV - Statement showing shareholding pattern of the Non Promoter-Non Public Shareholder

Table IV - Statement showing shareholding pattern of the Non Promoter-Non Public Shareholder																		
Category & Name of the Shareholders (i)	PAN (ii)	No. of share holders (iii)	No. of fully paid up equity shares held (iv)	Partly paid- up equity shares held (v)	Nos. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii) = iv+v+vi)	Share holding % calculated as per SCRR,195 7 As a % of (A+B+C2) (viii)	Number of Voting Rights held in each class of Securities (ix)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (x)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (xi)=(vii)+(x) as a % of A+B+C2	Number of Locked in shares (Xii)		Number of Shares pledged or otherwise encumbered (Xiii)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	
								Class X*	Class Y	Total								
1 Custodian/DR Holder																		
(a) Custodian/DR Holder		0	0	0	0	0	N.A	0	0	0	0	0	0	0	0	N.A	N.A	0
Sub-Total(C)(1)		0	0	0	0	0	N.A	0	0	0	0	0	0	0	0	N.A	N.A	0
Employee Benefit Trust (under SEBI (Share based Employee Benefit Regulations, 2014)																		
(a) Employees Benefit Trust (Under SEBI (Share based Employee Benefit) Regulations, 2014		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
Sub-Total(C)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0
Total Non-Promoter-Non Public Shareholding (C)=(C)(1)+(C)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	N.A	N.A	0

*X = Equity

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1 Name of the Entity : CES TECHNOLOGY SERVICESPRIVATE LIMITED (Resulting Company)

5 Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information :-

Particulars	* Yes	No*	Promoter and Promoter Group	Public Share Holders	Non Promoter-Non Public
1 Whether the Listed Entity has issued any partly paid up shares?		No	No	No	No
2 Whether the Listed Entity has issued any Convertible Securities?		No	No	No	No
3 Whether the Listed Entity has issued any Warrants?		No	No	No	No
4 Whether the Listed Entity has any shares against which depository receipts are issued?		No	No	No	No
5 Whether the Listed Entity has any shares in locked-in?		No	No	No	No
6 Whether any shares held by promoters are pledge or otherwise encumbered?		No	No	N.A	N.A
7 Whether company has equity shares with differential voting rights?		No	No	No	No
8 Whether the listed entity has any significant beneficial owner?					

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Date - 16.05.2022

Table I - Summary Statement holding of specified securities																		
Cat ego ry (i)	Category of shareholder (ii)	No. of share holders (iii)	No. of fully paid up equity shares held (iv)	No. of Partly paid-up equity shares held (v)	Nos. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii = iv+v+vi)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)(viii) As a % of (A+B+C2)	Number of Voting Rights held in each class of Securities (ix)				No. of Shares Underlyin g Outstand ing convert ible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (xi)=(vii)+(x) as a % of (A+B+C2)	Number of Locked in shares (Xii)		Number of Shares pledged or otherwise encumbered (Xiii)		Number of equity shares held in dematerialize d form (XIV)
								No. of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	
								Class eg: X*	Class eg: Y	Total								
(A)	Promoter & Promoter Group	2	10000	0	0	10000	100	10000	0	10000	100	0	100	100	0	0	0	0
(B)	Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9999
(C)	Non Promoter-Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	N.A	0	0	0	0	0	0	0	0	0	0	0
	Total	2	10000	0	0	10000	100	10000	0	10000	100	0	100	100	0	N.A	N.A	0
																		9999

*X = Equity
Face Value of shares - Rs. 10/-

*X = Equity
Face Value of shares - Rs. 10/-

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Category & Name of the Shareholders (i)	Entity type i.e. promoter OR promoter group entity (except promoter)	PAN (ii)	No. of share holders (iii)	No. of fully paid up equity shares held (iv)	Partly paid-up equity shares held (v)	Nos. of shares underlying Depository Receipts (vi)	Total nos. shares held (vii) = (iv)+(v)+(vi)	Share holding % calculated as per SCRR, 1957 As a % of (A+B+C2) (viii)	Number of Voting Rights held in each class of Securities (ix)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (xi)=(vii)+(x) as a % of A+B+C2	Number of Locked in shares (Xii)		Number of Shares pledged or otherwise encumbered (Xiii)		Number of equity shares held in dematerialized form (Xiv)
									No. of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	
									Class X*	Class Y	Total								
1 Indian																			
(a)	Individuals/Hindu undivided Family																		
	Shri Puranam Ayyappa		1	0	0	0	1	0	1	0	1	0	0	0	0	0	0	0	0
(b)	Central Government/ State Government(s)																		
(c)	Financial Institutions/Banks																		
(d-i)	Corporate Bodies																		
(d-ii)	Corporate Bodies - Group Company		9999	0	0	0	9999	100	9999	0	9999	100	0	100	0	0	0	0	9999
(d-iii)	Trust/ Promoter																		
(d-iv)	Directors/Promoters & their Relatives & Friends																		
	Sub-Total[A](1)		10000	0	0	0	10000	100	10000	0	10000	100	0	100	0	0	0	0	0
2 Foreign																			
(a)	Individuals(Non-Resident Individuals/ Foreign Individuals)																		9999
(b)	Government																		
(c)	Institutions																		
(d)	Foreign Portfolio Investor																		
(f-i)	Corporate Bodies - Foreign Body																		
(f-ii)	Corporate Bodies - OCB Non Repatriable																		
(f-iii)	Corporate Bodies - OCB Repatriable																		
(f-iv)	Foreign Institutional Investor (FII) - Others																		
(f-v)	Foreign Institutional Investor (FII) - DR																		
(f-vi)	Bank - Foreign Bank																		
(f-vii)	Trust																		
	Sub-Total[A](2)																		
Total shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)																			
			10000	0	0	0	10000	100	10000	0	10000	100	0	100	0	0	0	0	9999
*X = Equity																			

*X = Equity

Notes: Shri Puranam Ayyappa is the nominee shareholder and the share is being held on behalf of CES Limited.

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Annexure II

Pre and post Amalgamation / Arrangement shareholding pattern – CES Limited Demerged Company

Sr	Description	Name of Shareholder	No.of shares	%	No.of shares	%
			Prearrangement		Post Arrangement	
(A)	Shareholding of Promoter and Promoter Group					
1	Indian					
	Individuals/ Hindu Undivided Family	Names of Promoter				
		Y S Chakravarti	1445612	3.97	1445612	3.97
		Yalamati Sujatha	714000	1.96	714000	1.96
		Mohana Rao Kancharla	700000	1.92	700000	1.92
(b)	Central Government/ State Government(s)	Name s				
(c)	Bodies Corporate	Names				
(d)	Financial Institutions/ Banks					
(e)	Any Others					
	Sub Total(A) (1)		2859612	7.86	2859612	7.86
2	Foreign	Names of Promoter				
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	Venkata Subba Rao Kancherla	14000	0.04	14000	0.04
		Ram R Kancharla	10280200	28.25	10280200	28.25
		Davarapalli Venkateswara Rao	8838200	24.29	8838200	24.29
		Rama Devi Davarapalli	875000	2.4	875000	2.4
		Sunil Kancharla	875000	2.4	875000	2.4
		Sreevani Kancharla	875000	2.4	875000	2.4
		Sai Krishna Kancharla	875000	2.4	875000	2.4
		Nidhi Sri Davarapalli	875000	2.4	875000	2.4
		Nitya Sri Davarapalli	875000	2.4	875000	2.4
(b)	Bodies Corporate					
(c)	Institutions					




(d)	Any Others					
	Sub Total(A) (2)		24382400	66.98	24382400	66.98
	Total Shareholding of Promoter and Promoter Group (A)= (A) (1)+(A)(2)		27242012	74.84	27242012	74.84
(B)	Public shareholding					
1	Institutions					
(a)	Mutual Funds/ UTI					
(b)	Financial Institutions / Banks					
(c)	Central Government/ State Government(s)					
(d)	Venture Capital Funds					
(e)	Insurance Companies					
(f)	Foreign Institutional Investors					
(g)	Foreign Venture Capital Investors					
(h)	Any Other					
	Sub-Total (B) (1)					
2	Non- institutions					
(a)	Bodies Corporate					
(b)	Individuals					
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh		280	0.001%	280	0.001%
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.		9157708	25.16%	9157708	25.16%

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(c)	Any Other					
	Sub-Total (B) (2)		9157988	25.16	9157988	25.16
	Total Public Shareholding (B)= (B)(1)+(B) (2)		9157988	25.16	9157988	25.16
	TOTAL (A)+(B)		36400000	100.00	36400000	100.00
(C)	Shares held by Custodians and against which DRs have been issued					
	GRAND TOTAL (A)+(B) +(C)		36400000	100.00	36400000	100.00

Note: The face value of the shares of the demerged company shall reduce from Rs. 10/- to Rs. 7/- each.

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Annexure II

Pre and post Amalgamation / Arrangement shareholding pattern – CES TECHNOLOGY SERVICES PRIVATE LIMITED (Resulting Company)

Sr	Description	Name of Shareholder	No.of shares	%	No.of shares	%
			Prearrangement		Post Arrangement	
(A)	Shareholding of Promoter and Promoter Group					
1	Indian					
	Individuals/ Hindu Undivided Family	Names of Promoter				
		Y S Chakravarti			7,22,806	3.97
		Yalamati Sujatha			3,57,000	1.96
		Mohana Rao Kancharla			3,50,000	1.92
(b)	Central Government/ State Government(s)	Names				
(c)	Bodies Corporate	Names				
		CES Limited (1 share is being held by Shri Puranam Ayyappa as nominee shareholder)				
			10,000	100%		
(d)	Financial Institutions/ Banks					
(e)	Any Others					
	Sub Total(A) (1)				14,29,806	7.86
2	Foreign	Names				
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	Venkata Subba Rao Kancharla			7,000	0.04
		Ram R Kancharla			51,40,100	28.25
		Davarapalli Venkateswara Rao			44,19,100	24.29
		Rama Devi Davarapalli			4,37,500	2.4
		Sunil Kancharla			4,37,500	2.4
		Sreevani Kancharla			4,37,500	2.4
		Sai Krishna Kancharla			4,37,500	2.4
		Nidhi Sri Davarapalli			4,37,500	2.4
		Nitya Sri Davarapalli			4,37,500	2.4

K. Mohana Rao



(b)	Bodies Corporate					
(c)	Institutions					
(d)	Any Others					
	Sub Total(A) (2)				1,21,91,200	66.98
	Total Shareholding of Promoter and Promoter Group (A)= (A) (1)+(A)(2)				1,36,21,006	74.84
(B)	Public shareholding					
1	Institutions					
(a)	Mutual Funds/ UTI					
(b)	Financial Institutions / Banks					
(c)	Central Government/ State Government(s)					
(d)	Venture Capital Funds					
(e)	Insurance Companies					
(f)	Foreign Institutional Investors					
(g)	Foreign Venture Capital Investors					
(h)	Any Other					
	Sub-Total (B) (1)					
2	Non-institutions					
(a)	Bodies Corporate					
(b)	Individuals					
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh				140	0.001%
II	ii. Individual shareholders holding nominal share capital in				4578854	25.16%

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	excess of Rs. 1 lakh.					
(c)	Any Other					
	Sub-Total (B) (2)				45,78,994	25.16%
(B)	Total Public Shareholding (B)= (B)(1)+(B) (2)				45,78,994	25.16%
	TOTAL (A)+(B)					
(C)	Shares held by Custodians and against which DRs have been issued					
	GRAND TOTAL (A)+(B) +(C)	10,000	100%	1,82,00,000	100.00%	

Note: The Scheme of Arrangement becoming effective 10,000 fully paid-up Equity Shares of Re.10/- each held by the Demerged Company in Resulting Company shall stand cancelled. Accordingly, the paid-up share capital of the Resulting shall stand reduced by Rs. 1,00,000/- and the paid-up share capital of the Resulting Company after allotment of shares and cancellation of shares already held by the Demerged Company, shall stand at Rs. 5,46,00,000 /- divided into 1,82,00,000 equity shares of Rs. 3/- each.

All the shareholders of CES Limited would become the shareholders of the resulting company in the same proportion of their holding in CES Limited.

For **CES LIMITED.**

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Mohana Rao Kancharla
Wholetime Director
DIN: 00004288

Date: 16-05-2022
Place: Hyderabad

No. of Shareholders Pre and Post Arrangement of Demerged Company
(CES Limited)

Category	Pre	Post
A) Promoter	12	12
B) Public	14	14
C) Non-Promoter Non-Public		
C1) Shares underlying DR's	-	-
C2) Shares held by Employee Trust	-	-
Total	26	26

No. of Shareholders Pre and Post Resulting Company
(CES Technology Services Private Limited)

Category	Pre	Post
A) Promoter	2	14
B) Public	0	12
C) Non-Promoter Non-Public		
C1) Shares underlying DR's	-	-
C2) Shares held by Employee Trust	-	-
Total	2	26

For **CES LIMITED.**


 Mohana Rao Kancharla
 Wholetime Director
 DIN: 00004288

Date: 16-05-2022
 Place: Hyderabad

Annexure IV

The financial details and capital evolution of the demerged company for the previous 3 years as per the audited statement of Accounts:

Name of the Company: CES Limited

(Rs. in Crores)

	With 6 months	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	For nine months ended on 31-12-2021	2020-21	2019-20	2018-19
Equity Paid up Capital	36.4	36.4	36.4	36.4
Reserves and surplus	46.01	35.40	33.76	25.43
Carry forward losses	-	-	-	-
Net Worth	82.41	71.8	70.16	61.83
Miscellaneous Expenditure	-	-	-	-
Secured Loans	-	-	-	-
Unsecured Loans	-	-	-	-
Fixed Assets	39.55	41.42	43.93	46.81
Income from Operations	117.31	126.85	113.39	99.98
Total Income	119.83	132.12	115.83	102.24
Total Expenditure	104.10	125.18	104.76	93.94
Profit before Tax	15.73	6.94	11.08	8.29
Profit after Tax	10.84	2.89	9.46	4.77
Cash profit	13.06	5.86	12.89	7.94
EPS (in Rs)	2.98	0.79	2.60	1.31
Book value (per share in Rs)	22.64	19.73	19.27	16.99

K Mohan Reddy



Annexure IV

The financial details and capital evolution of the transferee company for the previous 3 years as per the audited statement of Accounts:

Name of the Company: CES Technology Services Private Limited

(Rs. in Crores)

	With 6 months	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	As on 31.12.2021	2020-21	2019-20	2018-19
Equity Paid up Capital	0.01	0.01	0.01	0.01
Reserves and surplus	2.11	2.01	1.97	1.93
Carry forward losses	-	-	-	-
Net Worth	2.12	2.02	1.98	1.94
Miscellaneous Expenditure	-	-	-	-
Secured Loans	-	-	-	-
Unsecured Loans	-	-	-	-
Fixed Assets	0.00585	0.00585	0.00658	0.01094
Income from Operations	0.08294	0.14560	2.16645	2.98440
Total Income	0.16193	0.17281	2.19361	3.12322
Total Expenditure	0.03349	0.10725	2.14681	3.10491
Profit before Tax	0.12844	0.06556	0.04681	0.01831
Profit after Tax	0.09835	0.03832	0.04406	0.01355
Cash profit	0.10121	0.04551	0.06391	0.05972
EPS (in Rs)	98.35	38.32	44.06	13.55
Book value (per share in Rs)	2116.98	2018.63	1980.31	1936.25

For CES LIMITED.



 Mohana Rao Kancharla
 Wholetime Director
 DIN: 00004288

Date: 16-05-2022
 Place: Hyderabad



P C N & ASSOCIATES
CHARTERED ACCOUNTANTS
Plot No. 12, "N Heights"
Ground Floor, Software Layout Unit
Cyberabad, Hyderabad - 500 081.

Tel. : (91-40) 2311 9499
E-mail : pcnassociates@yahoo.com

Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review report to
The Board of Directors
CES LIMITED

We have reviewed the accompanying statement of unaudited standalone financial results of CES LIMITED (the "Company") for the quarter ended 31st December, 2021 and for the period from 01st April 2021 to 31st December 2021 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting, ('Ind AS 34,') prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Sopalekha



P C N & ASSOCIATES
CHARTERED ACCOUNTANTS
Plot No. 12, "N Heights"
Ground Floor, Software Layout Unit
Cyberabad, Hyderabad - 500 081.

Tel. : (91-40) 2311 9499
E-mail : pcnassociates@yahoo.com

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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


K. Gopala Krishna
Partner

M.No. 203605
UDIN: 22203605ABZDIA9311



Place: Hyderabad
Date: 14.02.2022

CES LIMITED
 Regd. Office : 7th Floor, Tower A, Ramky Selenium, Nanakramguda
 Financial District, Gachibowli, HYDERABAD - 500 032
 Phone No. 040 42421122, Fax No. 040 40102456

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER & NINE MONTHS ENDED 31 DECEMBER, 2021

PART I: Particulars	Standalone (Rupees in Lakhs)					
	Quarter ended			Nine Months ended		Year ended
	31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
I. Revenue from Operations	4,118.63	3,975.40	3,313.99	11,730.81	9,321.39	12,684.48
II. Other Income	78.89	107.93	63.12	252.33	176.65	527.29
III. Total Income (I + II)	4,197.52	4,083.33	3,377.11	11,983.14	9,498.04	13,211.76
IV. Expenses:						
Employee Benefits expense	1,785.92	1,593.23	1,720.93	5,144.73	4,452.63	6,244.91
Finance costs	-	-	-	-	-	0.84
Depreciation and amortization expense	88.08	66.52	59.56	221.13	227.29	297.71
Other Expenses	2,013.07	1,576.21	1,457.32	5,044.43	4,026.81	5,974.57
IV. Total Expenses	3,887.06	3,235.97	3,237.81	10,410.29	8,706.77	12,518.04
V. Profit before exceptional items and tax (III - IV)	310.45	847.36	139.30	1,572.85	791.28	693.72
VI. Exceptional Items	-	-	-	-	-	-
VII. Profit/(Loss) before tax (V - VI)	310.45	847.36	139.30	1,572.85	791.28	693.72
VIII. Tax expense:						
(1) Current tax	203.47	168.81	54.00	466.55	169.78	320.74
(2) Deferred tax	-	0.00	0.00	21.92	27.26	84.50
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)	106.99	678.55	85.30	1,084.38	594.23	288.48
X. Other Comprehensive Income:						
(i) Exchange (gain)/Loss on foreign currency transactions	183.52	(13.98)	0.21	183.52	-	-
(ii) Actuarial loss on defined benefit plans recognised in accordance with Ind AS 19.	(93.36)	(121.66)	(44.95)	(207.01)	(150.49)	(124.22)
Total Comprehensive Income for the period	197.15	542.91	40.56	1,060.89	443.75	164.26
XI. Earnings per equity share (for continuing operation):						
(1) Basic	0.29	1.86	0.23	2.98	1.63	0.79
(2) Diluted	0.29	1.86	0.23	2.98	1.63	0.79

NOTES:

1. This statement has been reviewed by the Audit Committee and approved by the Board of Directors in their respective meeting held on 14th February, 2022.
2. This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
3. The format for un-audited quarterly results as prescribed in SEBI's circular CIR/CFD/CMD/15/2015 dated November 2015 has been modified to comply with requirements of SEBI's circular dated July 5, 2016 Ind AS and Schedule III to the companies Act, 2013 applicable to companies that are required to comply with Ind AS. The inapplicable items in the format of the above results have not been disclosed.
4. Segment Capital Employed: Segregation of assets, liabilities depreciation and other non cash expenditure into various primary segments has not been done, as the assets are used interchangeably between segments. Accordingly no disclosure relating to segmental assets has been done.

Place: Hyderabad.

Date: 14th February, 2022.

For CES Limited

MISHRA
 BAO
 KANCHARLA
 Director



CES LIMITED

Regd. Office : 7th Floor, Tower A, Ramky Selenium, Nanakramguda
Financial District, Gachibowli, HYDERABAD - 500 032
Phone No. 040 42421122, Fax No. 040 40102456

PART II: SEGMENT WISE FINANCIAL RESULTS FOR QUARTER & NINE MONTHS ENDED 31 DECEMBER, 2021

Business Segments		(Rupees in Lakhs)				
Particulars	Standalone					
	Quarter ended			Nine Months ended		Year ended
	31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
Revenue						
IT Services & Products Revenue	1,417.54	1,368.25	1,140.60	4,037.48	3,208.21	4,365.71
ITES Services Revenue	2,701.09	2,607.16	2,173.39	7,693.33	6,113.18	8,318.77
Total Revenue	4,118.63	3,975.41	3,313.99	11,730.81	9,321.39	12,684.48
Profit/Loss before tax and interest from each segment						
Direct Expenses - IT Services	(614.67)	(548.36)	(592.30)	(1,770.70)	(1,532.49)	(2,149.65)
Direct Expenses - ITES Services	(1,171.24)	(1,044.88)	(1,128.63)	(3,371.03)	(2,920.14)	(4,096.11)
Operating Income -IT Services	802.87	819.89	548.30	2,266.78	1,675.72	2,216.06
Operating Income -ITES Services	1,529.85	1,562.29	1,044.76	4,319.30	3,193.04	4,222.66
Total Segmental Operating Income	2,332.71	2,382.17	1,593.06	6,586.08	4,868.76	6,438.72
Unallocable Expenses	(2,101.14)	(1,642.74)	(1,516.88)	(5,265.55)	(4,254.13)	(6,272.28)
Add: Interest and other Income	78.89	107.92	63.12	252.33	176.65	527.29
Total Profit Before Taxes	310.45	847.36	139.30	1,572.85	791.28	693.72

Geographical Segments						
Particulars	Standalone					
	Quarter ended			Nine Months ended		Year ended
	31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
Revenue						
USA	4,097.21	3,951.52	3,297.38	11,668.23	9,294.56	12,642.52
India	21.42	23.89	16.61	62.58	26.84	41.96
Total Revenue	4,118.63	3,975.41	3,313.99	11,730.81	9,321.39	12,684.48
Profit/Loss before tax and interest from each segment						
USA	2,321.67	2,369.88	1,593.06	6,553.86	4,868.76	6,417.42
India	11.04	12.30	-	32.22	-	21.30
Total Segmental Operating Income	2,332.71	2,382.18	1,593.06	6,586.08	4,868.76	6,438.72
Unallocable Expenses	(2,101.14)	(1,642.74)	(1,516.88)	(5,265.55)	(4,254.13)	(6,272.28)
Add: Interest and other Income	78.89	107.92	63.12	252.33	176.65	527.29
Total Profit Before Taxes	310.45	847.36	139.30	1,572.85	791.28	693.72

Place: Hyderabad
Dated: 14th February, 2022

For CES Limited

MOHANA
RAO
KANCHARLA
Director



K Mohana Rao



P C N & ASSOCIATES
CHARTERED ACCOUNTANTS
Plot No. 12, "N Heights"
Ground Floor, Software Layout Unit
Cyberabad, Hyderabad - 500 081.

Tel. : (91-40) 2311 9499
E-mail : pcnassociates@yahoo.com

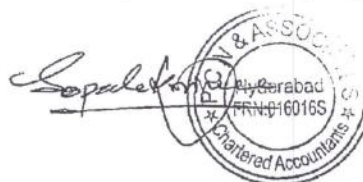
Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, as amended

Review report to
The Board of Directors
CES LIMITED

We have reviewed the accompanying statement of unaudited consolidated financial results of **CES LIMITED** (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter ended 31st December, 2021 and for the period from 01st April 2021 to 31st December 2021 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting, ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.





P C N & ASSOCIATES
CHARTERED ACCOUNTANTS
Plot No. 12, "N Heights"
Ground Floor, Software Layout Unit
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We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

The Statement includes the results of the following entities:

1. CES Information Technologies Private Limited
2. CES Global IT Solutions Private Limited
3. CES Technology Services Private Limited
4. CES USA INC

Based on our review conducted and procedures performed as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

The accompanying Statement includes unaudited interim financial results and other unaudited financial information in respect of:

subsidiaries, whose interim Ind AS financial results and other financial information reflect total assets of Rs. 15,461.76/- Lakhs before elimination as at 31st December 2021 and total revenue of Rs 7,266.84/- Lakhs and Rs. 20,122.83/- Lakhs, total net profit after tax of Rs. 644.51/-Lakhs and Rs. 1,539.98/- Lakhs and total comprehensive income of RS 589.14/- Lakhs and Rs.1,537.49/- Lakhs for the quarter ended 31.12.21 and the period from 01st April 2021 to 31st December 2021, respectively, as considered in "the Statement" whose interim Ind AS financial results and other financial information have not been reviewed by their auditors;

These unaudited interim financial results and other unaudited financial information have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of these subsidiary is based solely on such unaudited interim financial results and other unaudited financial information.





P C N & ASSOCIATES
CHARTERED ACCOUNTANTS
Plot No. 12, "N Heights"
Ground Floor, Software Layout Unit
Cyberabad, Hyderabad - 500 081.

Tel. : (91-40) 2311 9499
E-mail : pcnassociates@yahoo.com

Our conclusion on the Statement in respect of matters stated above is not modified with respect to our reliance on the financial results certified by the Management

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



K. Gopala Krishna
Partner

M.No. 203605

UDIN: 22203605ABZCIA4352



Place: Hyderabad

Date: 14.02.2022

CES LIMITED
 Regd. Office : 7th Floor, Tower A, Ramky Selenium, Nanakramguda
 Financial District, Gachibowli, HYDERABAD - 500 032
 Phone No. 040 42421122, Fax No. 040 40102456

STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER & NINE MONTHS ENDED 31 DECEMBER, 2021

PART I Particulars	Consolidated (Rupees in Lakhs)					
	Quarter ended			Nine Months ended		Year ended
	31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
I. Revenue from Operations	9,771.08	9,747.98	8,075.31	27,808.94	23,064.92	31,346.57
II. Other Income	72.93	114.06	36.37	248.63	120.37	1,607.12
III. Total Income (I + II)	9,844.01	9,912.04	8,111.68	28,057.58	23,185.30	32,953.69
IV. Expenses:						
Employee Benefits expense	5,989.78	6,055.32	5,371.03	17,100.14	14,931.89	20,081.70
Finance costs	2.73	2.97	4.90	10.37	18.31	24.85
Depreciation and amortization expense	155.05	126.74	159.09	407.56	508.72	659.27
Other Expenses	2,494.73	2,382.06	2,028.06	6,984.19	5,531.32	8,807.67
IV. Total Expenses	8,642.30	8,567.08	7,563.08	24,502.26	20,990.24	29,573.49
V. Profit before exceptional items and tax (III - IV)	1,201.71	1,344.95	548.60	3,555.32	2,195.05	3,380.21
VI. Exceptional Items	-	-	-	-	-	-
VII. Profit/(Loss) before tax (V - VI)	1,201.71	1,344.95	548.60	3,555.32	2,195.05	3,380.21
VIII. Tax expense:						
(1) Current tax	450.23	227.51	211.08	902.20	668.68	757.81
(2) Deferred tax	-	0.01	(3.44)	28.76	24.29	57.04
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)	751.48	1,117.43	340.96	2,624.36	1,502.08	2,565.36
X. Other Comprehensive Income:						
(i) Exchange (gain)/Loss on foreign currency transactions	182.65	(15.19)	10.35	181.83	62.15	2.60
(ii) Actuarial loss on defined benefit plans recognised in accordance with Ind AS 19.	(147.85)	(67.79)	(44.95)	(207.81)	(150.49)	(162.88)
Total Comprehensive Income for the period	786.28	1,034.45	306.35	2,598.38	1,413.74	2,405.08
XI. Earnings per equity share (for continuing operation):						
(1) Basic	2.06	3.07	0.94	7.21	4.13	7.05
(2) Diluted	2.06	3.07	0.94	7.21	4.13	7.05

NOTES:

1. This statement has been reviewed by the Audit Committee and approved by the Board of Directors in their respective meeting held on 14th February, 2022.
2. This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
3. The format for un-audited quarterly results as prescribed in SEBI's circular CIR/CFD/CMD/15/2015 dated November 2015 has been modified to comply with requirements of SEBI's circular dated July 5, 2016 Ind AS and Schedule III to the companies Act, 2013 applicable to companies that are required to comply with Ind AS. The inapplicable items in the format of the above results have not been disclosed.
4. Segment Capital Employed: Segregation of assets, liabilities depreciation and other non cash expenditure into various primary segments has not been done, as the assets are used interchangeably between segments. Accordingly no disclosure relating to segmental assets has been done.

Place: Hyderabad.

Date: 14th February, 2022.

For CES Limited

MOHANA RAO
 KANCHARLA
 Digitally signed by
 MOHANA RAO
 KANCHARLA
 Date: 2022.02.14
 16:53:13 +05'30'
Director

Mohana Rao





P. MURALI & CO.,

CHARTERED ACCOUNTANTS
6-3-655/2/3, SOMAJIGUDA,
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554
2339 3967, 2332 1470
Fax : (91-40) 2339 2474
E-mail : pmurali.co@gmail.com
info@pmurali.com
Website : www.pmurali.com

Auditor's certificate

To,
The Board of Directors,
CES Technology Services Private Limited.
South Wing B Division, Fourth Floor,
Tower-A, Ramky Selenium Building,
Nanakramguda, Gachibowli,
Hyderabad,
Telangana, 500032

Independent Auditors' certificate on the proposed accounting treatment contained in the Draft scheme of Arrangement of CES LTD. ("Transferor company" or "Demerged Company") with CES Technology Services Private Limited ("Transferee Company" or "resulting company") and their respective shareholders.

We, the statutory auditors of M/s. CES Technology Services Limited., have examined the proposed accounting treatment specified in clause 9.2 of part II of the Draft Scheme of Arrangement between CES Limited with CES Technology Services Private Limited in terms of the provisions of section(s) 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Indian Accounting Standards (Ind AS) notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Indian Accounting Standards (Ind AS) as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Indian Accounting Standards (Ind AS) and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in Clause 9.2 of Part II of the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and all applicable Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with rule 3 of companies (Indian Accounting Standards) Rules, 2015 and clarification provided by Ministry of Corporate Affairs under section 232(6) of the Companies Act, 2013 dated 21 August 2019.





P. MURALI & CO.,

CHARTERED ACCOUNTANTS
6-3-655/2/3, SOMAJIGUDA,
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554
2339 3967, 2332 1470
Fax : (91-40) 2339 2474
E-mail : pmurali.co@gmail.com
info@pmurali.com
Website : www.pmurali.com

This Certificate is issued at the request of the M/s CES Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the BSE Limited (BSE), NCLT, Ministry of Corporate Affairs, Registrar of Companies, Regional Director, Securities and Exchange Board of India and any other regulatory authorities, purposes as may be required to give the effect to the scheme and uploading the same on company's website pursuant to the requirement of the act, SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and circulars issued by SEBI from time to time. This Certificate should not be used for any other purpose without our prior written consent.

For P. Murali & Co.,
Chartered Accountants
FRN: 007257S



A. Krishna Rao
Partner
Membership No: 020085
UDIN: 22020085AJAWGS2145

Place: Hyderabad
Date: 16-05-2022



P C N & ASSOCIATES
CHARTERED ACCOUNTANTS
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Cyberabad, Hyderabad - 500 081.

Tel. : (91-40) 2311 9499
E-mail : pcnassociates@yahoo.com

Auditor's certificate

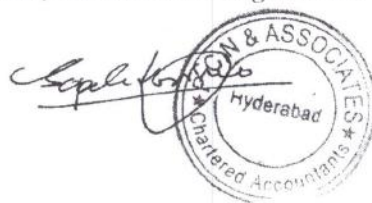
To,
The Board of Directors,
CES Limited.
Seventh floor, tower - A,
Ramky Selenium Building, Plot No. 31 & 32,
Nanakramguda, Gachibowli,
Hyderabad,
Telangana, 500032

Independent Auditors' certificate on the proposed accounting treatment contained in the Draft scheme of Arrangement of CES LTD. ("Transferor company" or "Demerged company") with CES Technology Services Private Limited ("Transferee Company" or "Resulting Company") and their respective shareholders.

We, the statutory auditors of M/s. CES Limited., have examined the proposed accounting treatment specified in clause 9.3 of part II of the Draft Scheme of Arrangement between CES Limited with CES Technology Services Private Limited in terms of the provisions of section(s) 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Indian Accounting Standards (Ind AS) notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Indian Accounting Standards (Ind AS) as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Indian Accounting Standards (Ind AS) and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in Clause 9.3 of Part II of the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and all applicable Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with rule 3 of companies (Indian Accounting Standards) Rules, 2015 and clarification provided by Ministry of Corporate Affairs under section 232(6) of the Companies Act, 2013 dated 21 August 2019.



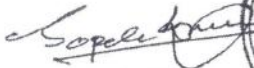


P C N & ASSOCIATES
CHARTERED ACCOUNTANTS
Plot No. "N Heights"
Ground Floor, Software Layout Unit
Cyberabad, Hyderabad - 500 081.

Tel. : (91-40) 2311 9499
E-mail : pcnassociates@yahoo.com

This Certificate is issued at the request of the M/s CES Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the BSE Limited (BSE), NCLT, Ministry of Corporate Affairs, Registrar of Companies, Regional Director, Securities and Exchange Board of India and any other regulatory authorities, purposes as may be required to give the effect to the scheme and uploading the same on company's website pursuant to the requirement of the act, SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and circulars issued by SEBI from time to time. This Certificate should not be used for any other purpose without our prior written consent.

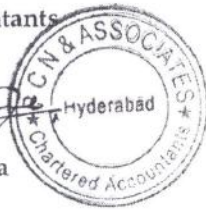
For P C N & Associates
Chartered Accountants
FRN: 016016S



K. Gopala Krishna
Partner

Membership No: 203605
UDIN: 22203605AJASFF6912

Place: Hyderabad
Date: 16-05-2022





CMMI Level 5 Company

CES Limited

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

ANNEXURE VI

Compliance Report to be submitted along with the draft scheme

It is hereby certified that the draft scheme of arrangement involving M/s. CES Limited does not, in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchange(s) and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and this circular, including the following:

Sl	Reference	Particulars	CES Limited (Demerged Company)	CES Technology Services Private Limited (Resulting Company)
1	Regulations 17 to 27 of LODR Regulations	Corporate governance requirements	Complied	Not Applicable
2	Regulation 11 of LODR Regulations	Compliance with securities laws	Complied	Not Applicable
Requirements of this circular				
A	Para (I)(A)(2)	Submission of documents to Stock Exchanges	Yes, Complied	Not Applicable
B	Para (I)(A)(2)	Conditions for schemes of arrangement involving unlisted entities	Yes, Complied	Not Applicable

Phone: +91 (40) 4040-7070 | Fax No: +91 (40) 4010-2456
CIN: L55100TG1985PLC045963





CMMI Level 5 Company

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Nanakramguda, Gachibowli,
Hyderabad - 500032.

C	Para (I)(A)(4) (a)	Submission of Valuation Report	Yes, Complied	Not Applicable
D	Para (I)(A)(5)	Auditors certificate regarding compliance with Accounting Standards	Yes, Complied	Not Applicable
E	Para (I)(A)(9)	Provision of approval of public shareholders through e-voting	<p>Will be Complied as per the Master Circular</p> <p>Reason: Listed entity i.e. CES Limited will ensure that the sanction of Scheme of Arrangement by NCLT, includes approval from public shareholders via e- voting/postal ballot at the time of court convened EGM, as per Para (I)(A)(10) of SEBI Master Circular no.SEBI/HO/CFD/DIL1/ CIR/P/2021/000000066 5,</p> <p>Hence the company will comply with the provisions for e-voting during the NCLT convened EGM</p>	Not Applicable

K. Mohan Reddy



Phone: +91 (40) 4040-7070 | Fax No: +91 (40) 4010-2456
CIN: L55100TG1985PLC045963



CMMI Level 5 Company

CES Limited

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

Suraj Kumar Garg
Company Secretary



Mohana Rao Kancharla
Wholetime Director



Certified that the transactions / accounting treatment provided in the draft scheme of arrangement involving (Name of the entities) are in compliance with all the Accounting Standards applicable to a listed entity.

Srinivas Raju Kucherlapati
Chief Financial Officer



Mohana Rao Kancharla
Wholetime Director



Date: 16-05-2022

Place: Hyderabad

**REPORT OF THE INDEPENDENT DIRECTORS OF CES LIMITED RECOMMENDING THE
SCHEME OF ARRANGEMENT OF CES LIMITED AND CES TECHNOLOGY SERVICES
PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

Independent Directors Present:

1. Mr. Tummala Muralikrishna
2. Mr. Duruvasan Ramachandra

In attendance:

1. Mr. Suraj Kumar Garg, Company Secretary
2. Mr. Srinivas Raju Kucherlapati, Chief Financial Officer.

The quorum was present at the Meeting and remained till the conclusion of the Meeting.

Background

- A meeting of Committee of Independent Directors of the company was held on 16th May, 2022 to consider and recommend the draft Scheme of Arrangement taking into consideration, inter-alia, the Valuation Report, pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the rules and/ or regulations made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) ("Companies Act") and other applicable laws including the master circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 issued by the Securities and Exchange Board of India ("SEBI") on November 23, 2021 (as amended from time to time), SEBI Circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 or any other circulars issued by SEBI applicable to schemes of arrangement from time to time.
- In terms of the SEBI Circular applicable to schemes of arrangement, a report from the Committee of Independent Directors recommending the draft Scheme is required, taking into consideration, inter alia, that the scheme is not detrimental to the shareholders of the listed entity.

Documents placed before the Committee of Independent Directors:

- a) Draft Scheme of Arrangement, duly initialled by the Mr. Mohana Rao Kancharla, Wholetime Director of the Company for the purpose of identification;
- b) Registered Valuer's Report dated 13th May, 2022 (Valuation Report) issued by Mr. Anandkumar Gawade, Chartered Accountants & Registered Valuers (vide Registered valuer number - IBBI/RV/05/2019/10746), describing , inter alia, the methodologies adopted by them in arriving at the recommended Share Exchange Ratio and setting out the detailed computation of Share Exchange Ratio for the proposed Demerger.

T. M. V. S. D.



- c) Fairness opinion dated 13th May, 2022 issued by Finshore Management Services Limited, SEBI Registered merchant banker (SEBI Registration No. INM000012185) on valuation of assets/shares done by the valuer for the listed entity and unlisted entity.
- d) Auditors Certificate dated 16th May, 2022, issued by P C N & Associates, to the effect that the accounting treatment contained in the scheme is in compliance with all the Accounting Standards specified by the Central Government under Section 133 of the Companies Act, 2013 read with the rules framed there under or the Accounting Standards issued by ICAI, as applicable, and other generally accepted accounting principles.
- e) Other presentations, reports, documents and information made to/ furnished before the Audit Committee pertaining to the draft Scheme.

Rationale of the Scheme

The Committee of Independent Directors noted that the Scheme envisages the following:

- i) CES Limited ("Demerged Company") is predominantly into the business of IT and ITES.
- ii) The Scheme in the present case provides for demerger of ITES undertaking including with all the related assets and liabilities of Demerged Company into CES Technology Services Private Limited ("Resulting Company") which is wholly owned subsidiary of Demerged Company and also delisting of the shares of the Demerged Company from the stock exchange(s).
- iii) The Demerged Company has excellent forays into the markets and with an objective to increase their market share; the promoters seek investment by external investors/partners. The Demerged Company wants to delink the ITES business completely from all other activities hence considered prudent to demerge ITES business of the Demerged Company.
- iv) The Demerged Company is a publicly listed Company having its equity shares listed on BSE Limited. Though the Demerged Company is listed Company the demerged company has only 26 shareholders. Further the shares of the demerged company are not frequently traded. As the shares of the demerged company are not frequently traded the shareholders of the demerged company could not get the benefit of listing the shares on the Stock Exchange, however the demerged Company is incurring huge cost in compliance, being a listed Company, further the demerged company also contemplate to expand the remaining business for which the demerged company may require to raise capital from investors. Hence, the promoters seek to delist the shares of the demerged Company from Stock Exchanges, which will not only help the demerged company to reduce the cost but also make it easy for the demerged company to raise funds that are required for expansion of the remaining business of the demerged company.



- v) The Scheme provides for segregation of the assets, liabilities (including resources deployed) related to the divisions being vested by way of demerger and also provide for delisting of the share of the Demerged Company from stock exchanges.
- vi) Such segregation and delisting would result in having a structure ready for external investments in Demerged Company and the Resulting Company.
- vii) The Scheme of Arrangement would benefit the shareholders, employees and other stakeholders of the Demerged Company and the Resulting Company and in no way the proposed scheme is detrimental to the shareholders of the listed entity.

Synergies of business of the entities involved in the scheme

- i) The Demerged Business and Remaining Business carried on by Demerged Company have significant potential for growth. The nature of risk and competition involved in each of these units are distinct from other and consequently demerged business and remaining business is capable of attracting a different set of business leaders, employees, investors, strategic partners, lenders and other stakeholders. That the Demerged Business and Remaining Business should be bifurcated and should have independent entities for each undertaking.
- ii) The ITES business has huge potential and needs a focused management for each activity and hence it is felt necessary to carry on the business of ITES in a separate entity.
- iii) In order to have greater and complete focus to the operations of each of demerged business and remaining business and evolve strategies for growth and expansion of activities of demerged business and remaining business separately, apart from attracting investors into each of the Demerged Business and Remaining Business, Demerged Company proposes to re-organize and segregate, by way of de-merger, its business.
- iv) Demerged Business and Remaining Business has tremendous growth and profitability potential, especially the Remaining Business is at a stage where they require focused leadership and management attention.
- v) It is believed that the proposed segregation will create enhanced value for all stakeholders and allow a focused strategy in operations, which would be in the best interest of Demerged Company, its all stakeholders, creditors and all persons connected with Demerged Company.
- vi) It is believed that the delisting of shares of the Demerged Company from the Stock Exchange(s) will reduce the compliance cost incurred by the Demerged Company and will also make it easy for the demerged company to raise finances that are required for expansion of the remaining business of the demerged company.
- vii) The Scheme of Arrangement also contemplates the cancellation of shares held by the Demerged Company in Resulting Company thereby reduction of share capital of the Resulting Company and also cancellation of the investments made by the Demerged Company in the Resulting Company.



- viii) The Scheme of Arrangement also contemplates the reduction of the share capital of the Demerged Company
- ix) The Scheme of Arrangement will also provide scope for independent collaboration and expansion without committing the existing organization in its entirety.
- x) With aforesaid objective, it is proposed to De-merge, the Demerged Company's ITES business from the Demerged Company to Resulting Company and also delist the shares of the demerged company from the stock exchanges.
- xi) The Demerged Company and Resulting Company are of the opinion that the Scheme of Arrangement would benefit the shareholders, employees and other stakeholders of the Demerged Company and Resulting Company and in no way the proposed scheme is detrimental to the shareholders of the listed entity.

Valuation Report

The Committee of Independent Directors noted from the Valuation Report issued by Mr. Anandkumar Gawade, Chartered Accountants & Registered Valuers (vide Registered valuer number - IBBI/RV/05/2019/10746) and the fairness opinion issued by Finshore Management Services Limited, SEBI Registered merchant banker (SEBI Registration No. INM000012185).

Pursuant to demerger the share exchange ratio shall be as under:



Summary of Valuation Analysis:

	Net Assets Rs	No of Shares	Per share NAV Rs	NAV Rounded Off Rs
IT Division	53,07,02,695	3,64,00,000	14.58	14
ITES Division (Demerged Division)	26,27,63,186	3,64,00,000	7.22	7

Exchange Ratio:

	Fair Value per share Rs	Ratio
IT Division	14	2
ITES Division (Demerged Division)	7	1

Accordingly, CES Technologies Services Private Limited (ITES Division) will issue 1 share to each shareholder of CES Ltd for 2 shares held in CES Ltd.

Recommendation of the Committee of Independent Directors

The Committee of Independent Directors upon discussion decided and after taking into consideration the draft Scheme, Valuation Report, Fairness Opinion and other relevant documents, as placed, the Committee recommends the draft Scheme for consideration and approval by the Board of Directors of the Company, Stock Exchanges, SEBI and other appropriate authorities and that the scheme is not detrimental to the shareholders of the listed entity.

On behalf of the Committee of Independent Directors of
CES Limited


Tummala Muralikrishna
Chairman of Audit committee
DIN: 01889806



Place: Vijayawada
Date: 16-05-2022



CMMI Level 5 Company

CES Limited

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

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF
DIRECTORS AT THEIR MEETING HELD ON MONDAY, 16TH MAY OF 2022**

**CHOOSE DESIGNATED STOCK EXCHANGE IN THE MATTER OF SCHEME OF
ARRANGEMENT FOR THE PURPOSE OF CO-ORDINATING WITH SEBI**

**"RESOLVED THAT BSE Limited, be the designated stock exchange, in the matter
of Scheme of Arrangement of the Company, for the purpose of co-ordinating with
Securities and Exchange Board of India."**

**RESOLVED FURTHER THAT Mr. Mohana Rao Kancharla, Wholetime Director and
Mr. Suraj Kumar Garg, Company Secretary be and are hereby severally authorised
to sign any copy of this resolution as a certified true copy thereof and furnish the
same to whomsoever concerned."**

#Certified true copy#

For **CES LIMITED.**




Mohana Rao Kancharla
Wholetime Director
DIN: 00004288

Date: 16-05-2022
Place: Hyderabad

ANNEXURE VIII

to

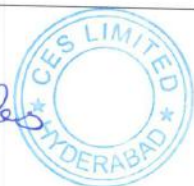
Particulars	Transferee/ Resulting Company	Transferor/ Demerged Company
Name of the company	CES Technology Services Private Limited	CES Limited
Date of Incorporation & details of name changes, if any	<p>Date of Incorporation: 08th March, 2010</p> <p>Name at the time of incorporation - Telivo Managed Services Private Limited</p> <p>Name changed on 25-06-2015 to CES Technology Services Private Limited</p>	<p>Date of Incorporation: 10th April, 1985</p> <p>The Company was originally incorporated in the name of Serve All Commercial Company Ltd.</p> <p>The list of previous names are as follows: -</p> <p>Serve All Commercial Company Ltd;</p> <p>Serve All Investments Ltd;</p> <p>Serve All Enterprise Solutions Ltd ;</p> <p>The name of the Company was changed from Serve All Enterprise Solutions Ltd to CES Limited on Fifth day of November Two Thousand Thirteen.</p>
Registered Office	South Wing B Division, Fourth Floor, Tower- A Ramky Selenium Building, Nanakramguda, Gachibowli Hyderabad -500032, Telangana, India.	Seventh Floor, Tower- A, Ramky Selenium Building, Plot No.31& 32, Nanakramguda, Gachibowli Hyderabad – 500032, Telangana, India
Brief particulars of the scheme	<p>CES Limited ("Demerged Company"), a publicly listed Company having its equity shares listed on BSE Limited.</p> <p>CES Technology Services Private Limited ("Resulting Company"), a private company.</p> <p>Presently the Demerged Company is predominantly engaged in</p>	

K. Mohan Reddy



	the business of Information Technology (IT) and Information Technology Enabled Services (ITES). The Scheme in the present case provides for demerger of ITES undertaking including with all the related assets and liabilities of Demerged Company into Resulting Company and also delisting of the shares of the Demerged Company from the stock exchange(s)
Rationale for the scheme	<p>The Demerged Company predominantly is into the business of IT and ITES.</p> <p>ii) The Scheme in the present case provides for demerger of ITES undertaking including with all the related assets and liabilities of Demerged Company into Resulting Company and also delisting of the shares of the Demerged Company from the stock exchange(s).</p> <p>iii) The Demerged Company has excellent forays into the markets and with an objective to increase their market share; the promoters seek investment by external investors/ partners. The Board of Directors of the Demerged Company wants to delink the ITES business completely from all other activities hence considered prudent to demerge ITES business of the Demerged Company.</p> <p>iv) The Demerged Company is a publicly listed Company having its equity shares listed on BSE Limited. Though the Demerged Company though the Company is listed Company the demerged company has only 26 shareholders. Further the shares of the demerged company are not frequently traded. As the shares of the demerged company are not frequently traded the shareholders of the demerged company could not get the benefit of listing the shares on the Stock Exchange, however the demerged Company is incurring huge cost in compliance, being a listed Company, further the demerged company also contemplate to expand the remaining business for which the demerged company may require to raise capital from investors. Hence, the promoters seek to delist the shares of the demerged Company from Stock Exchanges, which will not only help the demerged company to reduce the cost but also make it easy for the demerged company to raise funds that are required for expansion of the remaining business of the demerged company.</p> <p>v) The Scheme provides for segregation of the assets, liabilities (including resources deployed) related to the divisions being vested by way of demerger and also provide for delisting of the share of the demerged company from stock exchanges.</p>

K Mohan Rao



	<p>vi) Such segregation and delisting would result in having a structure ready for external investments in Demerged Company and the Resulting Company.</p> <p>The Board of Directors of the Demerged Company and the Resulting Company are of the opinion that the Scheme of Arrangement would benefit the shareholders, employees and other stakeholders of the Demerged Company and the Resulting Company.</p>	
Date of resolution passed by the Board of Director of the company approving the scheme	16 th May, 2022	16 th May, 2022
Date of meeting of the Audit Committee in which the draft scheme has been approved	Not applicable	16 th May, 2022
Appointed Date	1 st April, 2022	1 st April, 2022
Name of Exchanges where securities of the company are listed	Not applicable	BSE Limited
Nature of Business	Software development	IT and ITES Business
Capital before the scheme (No. of equity shares as well as capital in rupees)	INR 100,000/- 10,000 shares of Rs. 10/- each	INR 36,40,00,000/- 3,64,00,000 shares of Rs. 10/- each
No. of shares to be issued	1,82,00,000 equity shares of Rs. 3 each	Nil
Cancellation of shares on account of cross holding, if any	INR 100,000/- 10,000 shares of Rs. 10/- each	Face value of the shares to be reduced from INR 10/- to INR 7/-
Capital after the scheme (No. of equity shares as well as capital in rupees)	INR 5,46,00,000/- 1,82,00,000 equity shares of Rs. 3 each	INR 25,48,00,000/- 3,64,00,000 shares of Rs. 7/- each
Net Worth	(Rs. In crores)	(Rs. In crores)
Pre	2.12	82.41
Post	28.39	53.07
Valuation by independent Chartered Accountant – Name of the valuer/valuer firm and Regn no.	Anandkumar Gawade, Registered Valuer Regn No. IBBI/RV/05/2019/10746	
Methods of valuation and value per share arrived under each method with weight given to each method, if any.	Not applicable	Not applicable
Fair value per shares	Not applicable	Not applicable
Exchange ratio	Please refer Annexure VIII.1	




Name of Merchant Banker giving fairness opinion	Finshore Management Services Limited			
	SEBI Regd. CAT-I Merchant Banker, Regn No. INM000012185			
Shareholding pattern	Pre		Post	
	No. of Shares	% of holding	No. of Shares	% of holding
Promoter	Please refer VIII.2			
Public				
Custodian				
TOTAL				
No of shareholders	Pre – 2		Pre – 26	
	Post – 26		Post - 26	
Names of the Promoters (with PAN nos.)	Please refer VIII.3			
Names of the Board of Directors (with DIN and PAN nos.)	Please refer VIII.4			
Please specify relation among the companies involved in the scheme, if any	CES Technology Services Private Limited is wholly owned subsidiary company of CES Limited.		CES Limited is holding Company of CES Technology Services Private Limited	
Details regarding change in management control in listed or resulting company seeking listing if any	Not applicable			

For **CES LIMITED.**




Mohana Rao Kancharla
Wholetime Director
DIN: 00004288

Date: 16-05-2022
Place: Hyderabad

Pursuant to demerger the share exchange ratio shall be as under:

Summary of Valuation Analysis:

	Net Assets Rs	No of Shares	Per share NAV Rs	NAV Rounded Off Rs
IT Division	53,07,02,695	3,64,00,000	14.58	14
ITES Division (Demerged Division)	26,27,63,186	3,64,00,000	7.22	7

Exchange Ratio:

	Fair Value per share Rs	Ratio
IT Division	14	2
ITES Division (Demerged Division)	7	1

Accordingly, CES Technologies Services Private Limited (ITES Division) will issue 1 share to each shareholder of CES Ltd for 2 shares held in CES Ltd.

For **CES LIMITED.**


 Mohana Rao Kancharla
 Wholetime Director
 DIN: 00004288



Date: 16-05-2022
 Place: Hyderabad

Shareholding pattern of CES Technology Services Private Limited

Shareholding pattern	Pre		Post	
	No. of Shares	% of holding	No. of Shares	% of holding
Promoter	10,000	100%	1,36,21,006	74.84%
Public	-	-	45,78,994	25.16%
Custodian	-	-		
TOTAL	10,000	100%	1,82,00,000	100%

Shareholding pattern of CES Limited

Shareholding pattern	Pre		Post	
	No. of Shares	% of holding	No. of Shares	% of holding
Promoter	2,72,42,012	74.84%	2,72,42,012	74.84%
Public	91,57,988	25.16%	91,57,988	25.16%
Custodian	-	-	-	-
TOTAL	3,64,00,000	100%	3,64,00,000	100%

For CES LIMITED.


Mohana Rao Kancharla
Wholetime Director
DIN: 00004288



Date: 16-05-2022
Place: Hyderabad

Name of the Company - CES Technology Services Private Limited

Names of the Promoters (with PAN nos.)

Sl. No	Name	PAN
1.	CES Limited (9999 shares is directly owned by CES Limited and 1 share is being held by Shri Puranam Ayyappa as nominee shareholder of CES Limited)	AADCS4564P

Name of the Company - CES Limited

Names of the Promoters (with PAN nos.)

Sl. No	Name	PAN
2.	Y S Chakravarti	AAEPY9321N
3.	Yalamati Sujatha	ABSPY7245C
4.	Mohana Rao Kancharla	ANBPK2918H
5.	Venkata Subba Rao Kancharla	AIYPK0686L
6.	Ram Rao Kancharla	AJSPR0618J
7.	Venkateswara Rao Davarapalli	AKBPD6586F
8.	Rama Devi Davarapalli	BRUPD4537M
9.	Sunil Kancharla	DCPPK4489D
10.	Sreevani Kancharla	DCPPK4492G
11.	Sai Krishna Kancharla	DCPPK4493H
12.	Nidhi Sri Davarapalli	ESMPD6651J
13.	Nitya Sri Davarapalli	ESPPD2260E

For **CES LIMITED.**

K Mohan Rao
Mohana Rao Kancharla
Wholetime Director
DIN: 00004288



Date: 16-05-2022
Place: Hyderabad

Annexure -VIII.4

Name of the Company - CES Technology Services Private Limited

Names of the Board of Directors (with DIN and PAN nos.)

Sl. No	Name	DIN	PAN	Designation
1.	Mohana Kancharla Rao	00004288	ANBPK2918H	Director
2.	Aruna Krishna Sabbineni	06997005	BVBPS0080B	Director
3.	Tummala Muralikrishna	01889806	ABJPT9057G	Independent Director

Name of the Company - CES Limited

Names of the Board of Directors (with DIN and PAN nos.)

Sl. No	Name	DIN	PAN	Designation
1.	Mohana Kancharla Rao	00004288	ANBPK2918H	Wholetime Director
2	Duruvasan Ramachandra	00223052	ABMPR8969G	Independent Director
3	Rama Krishna Sabbineni	01825682	AAKPS9638Q	Alternate Director of Mr. Venkateswara Rao Davarapalli (DIN-00028498)
4.	Tummala Muralikrishna	01889806	ABJPT9057G	Independent Director
5.	Aruna Krishna Sabbineni	06997005	BVBPS0080B	Director
6.	Sai Krishna Kancharla	07775575	DCPPK4493H	Director

For CES LIMITED.

K Mohan Rao

Mohana Rao Kancharla
Wholetime Director
DIN: 00004288



Date: 16-05-2022
Place: Hyderabad

Annexure IX

Brief details of the Promoter and Board of Directors of transferee/resulting and transferor/demerged companies

Name of the Company - CES Technology Services Private Limited

Names of the Promoters (with PAN nos.)

Sl. No	Name	PAN
1.	CES Limited	AADCS4564P

Name of the Company - CES Limited

Names of the Promoters (with PAN nos.)

Sl. No	Name	PAN
2.	Y S Chakravarti	AAEPY9321N
3.	Yalamati Sujatha	ABSPY7245C
4.	Mohana Rao Kancharla	ANBPK2918H
5.	Venkata Subba Rao Kancharla	AIYPK0686L
6.	Ram Rao Kancharla	AJSPR0618J
7.	Venkateswara Rao Davarapalli	AKBPD6586F
8.	Rama Devi Davarapalli	BRUPD4537M
9.	Sunil Kancharla	DCPPK4489D
10.	Sreevani Kancharla	DCPPK4492G
11.	Sai Krishna Kancharla	DCPPK4493H
12.	Nidhi Sri Davarapalli	ESMPD6651J
13.	Nitya Sri Davarapalli	ESPPD2260E

For **CES LIMITED.**

K Mohana Rao

Mohana Rao Kancharla
Wholetime Director
DIN: 00004288



Date: 16-05-2022

Place: Hyderabad

List of **Board of Directors** of transferee/resulting and transferor/demerged companies

Name of the Company - CES Technology Services Private Limited

Names of the Board of Directors (with DIN and PAN nos.)

Sl. No	Name	DIN	PAN	Designation
1.	Mohana Kancharla Rao	00004288	ANBPK2918H	Director
2.	Aruna Krishna Sabbineni	06997005	BVBPS0080B	Director
3.	Tummala Muralikrishna	01889806	ABJPT9057G	Independent Director

Name of the Company - CES Limited

Names of the Board of Directors (with DIN and PAN nos.)

Sl. No	Name	DIN	PAN	Designation
1.	Mohana Kancharla Rao	00004288	ANBPK2918H	Wholetime Director
2	Duruvasan Ramachandra	00223052	ABMPR8969G	Independent Director
3	Rama Krishna Sabbineni	01825682	AAKPS9638Q	Alternate Director of Mr. Venkateswara Rao Davarapalli (DIN-00028498)
4.	Tummala Muralikrishna	01889806	ABJPT9057G	Independent Director
5.	Aruna Krishna Sabbineni	06997005	BVBPS0080B	Director
6.	Sai Krishna Kancharla	07775575	DCPPK4493H	Director

For **CES LIMITED.**




Mohana Rao Kancharla
Wholetime Director
DIN: 00004288

Date: 16-05-2022
Place: Hyderabad



P C N & ASSOCIATES
CHARTERED ACCOUNTANTS
Plot No. "N Heights"
Ground Floor, Software Layout Unit
Cyberabad, Hyderabad - 500 081.

Tel. : (91-40) 2311 9499
E-mail : pcnassociates@yahoo.com

NETWORTH CERTIFICATE

This is to certify that Net worth of M/s. CES Limited (CIN: L55100TG1985PLC045963), having its registered office address at Seventh floor, tower – A, Ramky Selenium Building, Plot No. 31 & 32, Nanakramguda, Gachibowli, Hyderabad, 500032 has been calculated as under:

Net worth of the Company as on 31/12/2021

Particulars	Amount (in Rs.) Pre Scheme
Paid up Capital	36,40,00,000
<u>Add:</u> Reserve & Surplus	46,01,24,692
<u>Less:</u> Revaluation Surplus, if any	-
Total Net worth	82,41,24,692

Further, it is to certify that the computation of Net Worth is based on the books, records and the financial statements submitted by the company.

This is to certify that the above-mentioned information is true to the best of our knowledge and as per information provided to our satisfaction.

For P C N Associates
Chartered Accountants
Firm's Regn. No: 0160165




K Gopala Krishna
Partner
Membership No: 203605
UDIN: 22203605AJATTM6187
Place: Hyderabad
Date: 16-05-2022



P C N & ASSOCIATES
CHARTERED ACCOUNTANTS
Plot No. "N Heights"
Ground Floor, Software Layout Unit
Cyberabad, Hyderabad - 500 081.

Tel. : (91-40) 2311 9499
E-mail : pcnassociates@yahoo.com

NETWORTH CERTIFICATE

This is to certify that Net worth of M/s. CES Limited (CIN:L55100TG1985PLC045963), having its registered office address at Seventh floor, tower - A, Ramky Selenium Building, Plot No. 31 & 32, Nanakramguda, Gachibowli, Hyderabad, 500032 has been calculated as under:

Networth of the Company as on 31/12/2021 (Post Scheme)

S.No	PARTICULARS	Amount (In Rs)
1	Paid-up Capital	25,48,00,000
2	Add: Reserve and Surplus (Excluding Revaluation Reserve)	27,59,02,694
3	Less: Miscellaneous Expenditure	0
4	Total Network	53,07,02,694
In Words: Fifty-Three Crores Seven Lakhs Two Thousand Six Hundred and Ninety-Four Rupees.		

Further, it is to certify that the computation of Provisional Net worth is based on the books, records and the proposed Scheme of Arrangement of CES Limited with CES Technology Services Private Limited., submitted by the company.

The said certificate is true and correct to the best of our knowledge and as per information provided to our satisfaction.

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


K Gopala Krishna
Partner

Membership No: 203605
UDIN: 22203605AJPNXW4442

Place: Hyderabad
Date: 16-05-2022





P C N & ASSOCIATES
CHARTERED ACCOUNTANTS
Plot No. "N Heights"
Ground Floor, Software Layout Unit
Cyberabad, Hyderabad - 500 081.

Tel. : (91-40) 2311 9499
E-mail : pcnassociates@yahoo.com

NETWORTH CERTIFICATE

This is to certify that Net worth of M/s. CES Technology Services Private Limited (CIN: U72200TG2010PTC067406), having its registered office address at South Wing B Division, Fourth Floor, tower - A, Ramky Selenium Building, Nanakramguda, Gachibowli, Hyderabad, TG 500032 IN has been calculated as under:

Net worth of the Company as on 31/12/2021

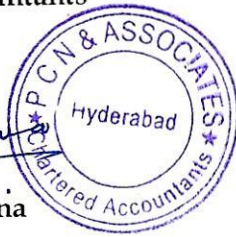
Particulars	Amount (in Rs.) Pre-Scheme
Paid up Capital	1,00,000
<u>Add:</u> Reserves & Surplus	2,10,69,781
<u>Less:</u> Revaluation Surplus, if any	-
Total Net worth	2,11,69,781

Further, it is to certify that the computation of Net Worth is based on the books, records and the financial statements submitted by the company.

This is to certify that the above-mentioned information is true to the best of our knowledge and as per information provided to our satisfaction.

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

K Gopala Krishna
Partner
Membership No: 203605
UDIN: 22203605AJAUME3370



Place: Hyderabad
Date: 16-05-2022



P C N & ASSOCIATES
CHARTERED ACCOUNTANTS
Plot No. "N Heights"
Ground Floor, Software Layout Unit
Cyberabad, Hyderabad - 500 081.

Tel. : (91-40) 2311 9499
E-mail : pcnassociates@yahoo.com

NETWORTH CERTIFICATE

This is to certify that Networth of **M/s. CES Technology Services Private Limited (CIN: U72200TG2010PTC067406)**, having its registered office address at South Wing B Division, Fourth Floor, tower - A, Ramky Selenium Building, Nanakramguda, Gachibowli, Hyderabad, TG 500032 IN has been calculated as under:

Provisional Networth of the Company as on 31/12/2021 (Post Scheme)

S.No	PARTICULARS	Amount (In Rs)
1	Paid-up Capital	5,46,00,000
2	Add: Reserve and Surplus (Excluding Revaluation Reserve)	22,93,32,967
3	Less: Miscellaneous Expenditure	0
4	Total Networth	28,39,32,967
In Words: Twenty-Eight Crores Thirty-Nine Lakhs Thirty-Two Thousand Nine Hundred and Sixty-Seven Rupees.		

Further, it is to certify that the computation of Provisional Net worth is based on the books, records and the proposed Scheme of Arrangement of CES Limited with CES Technology Services Private Limited., submitted by the company.

The said certificate is true and correct to the best of our knowledge and as per information provided to our satisfaction.

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


K Gopala Krishna
Partner
Membership No: 203605
UDIN: 22203605AJPOEH3095



Place: Hyderabad
Date: 16-05-2022

ANNEXURE X

Capital evolution of the Resulting Company
(CES Technology Services Private Limited)

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
08/03/2010	10,000	10	Subscription to MOA	10,000	The company is an unlisted Company

Capital evolution of the demerged companies
(CES Limited)

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
10/04/1985	70	10	Subscription to MOA	70	Listed
12/10/1985	3,99,930	10	Promoters quota - Public issue	4,00,000	Listed
19/12/1985	600,000	10	Public issue	10,00,000	Listed
04/03/2013	300,000	10	Scheme	13,00,000	Listed
23/10/2018	35,100,000	Nil	Bonus	3,64,00,000	Listed

For **CES LIMITED.**



Mohana Rao Kancharla
Wholetime Director
DIN: 00004288



Date: 16-05-2022
Place: Hyderabad



CMMI Level 5 Company

CES Limited

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

ANNEXURE XI

To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

Dear Sir,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed scheme of arrangement.

In connection with the above application, we hereby confirm that:

- a) The proposed scheme of arrangement to be presented to any Court or Tribunal does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, securities contract (Regulations) Rules, 1957, RBI Act, The Depositories Act, 1996, Companies Act, 2013, the rules, regulations and guidelines made under these Acts, the provisions as explained in Regulation 11 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and the requirements of SEBI circulars and BSE Limited.
- b) In the explanatory statement to be forwarded by the company to the shareholders u/s 230 or accompanying a proposed resolution to be passed u/s 66 of the Companies Act 2013, it shall disclose:
 - i) the pre and post-arrangement or amalgamation (expected) capital structure and shareholding pattern and
 - ii) the "fairness opinion" obtained from an Independent merchant banker on valuation of assets / shares done by the valuer for the company and unlisted company.
 - iii) Information about unlisted companies involved in the scheme as per the format provided for abridged prospectus of the SEBI ICDR Regulations, if applicable:
 - iv) The Complaint report as per Annexure III.
 - v) The observation letter issued by the stock exchanges



K Mohan



CMMI Level 5 Company

CES Limited

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

- c) The draft scheme of amalgamation/ arrangement together with all documents mentioned in Part – I(A)(8)(a) of SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 has been disseminated on company's website as per Website link given hereunder as per para 6.4 of the draft scheme the fractional entitlements, if any, shall be aggregated and held by the trust, nominated by the Board in that behalf, who shall sell such shares in the market at such price, within a period of 90 days from the date of allotment of shares, as per the draft scheme submitted to SEBI: www.cesltd.com
- d) The listed company shall submit to the designated stock exchange a report from its Audit Committee and the Independent Directors certifying that the listed entity has compensated the eligible shareholders, within a period of 90 days from the date of allotment as per the draft scheme submitted to SEBI. Both the reports shall be submitted within 7 days of compensating the shareholders
- e) The company shall disclose the observation letter of the stock exchange on its website within 24 hours of receiving the same.
- f) The company shall obtain shareholders' approval by way of special resolution passed through e-voting. Further, the company shall proceed with the draft scheme only if the vote cast by the public shareholders in favor of the proposal is more than the number of votes cast by public shareholders against it.
- g) The documents filed by the Company with the Exchange are same/ similar/ identical in all respect, which have been filled by the Company with Registrar of Companies/SEBI/Reserve Bank of India, wherever applicable.
- h) There will be no alteration in the Share Capital of the unlisted transferor company from the one given in the draft scheme of amalgamation/ arrangement.
- i) None of the promoters or directors of the companies involved in the scheme is a fugitive economic offender.

For **CES LIMITED.**



Mohana Rao Kancharla
Wholetime Director
DIN: 00004288



Date: 16-06-2022
Place: Hyderabad

Phone: +91 (40) 4040-7070 | Fax No: +91 (40) 4010-2456
CIN: L55100TG1985PLC045963



Annual Report 2020 - 2021

BOARD OF DIRECTORS

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

Chairman and Independent Director
Independent Director
Whole-time Director
Alternate Director of Venkat Davarapalli
Director
Director
Director

Corporate Identity Number (CIN): L55100TG1985PLC045963

KEY MANAGERIAL PERSONNEL

Mr. Mohana Rao Kancharla - Whole -Time Director
Mr. Srinivasa Raju Kucherlapati - Chief Financial Officer
Mr. Surya Prakash Mungelkar - Company Secretary (Resigned on 03.09.2021)

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

Sharda 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

SHARE TRANSFER AGENTS

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

info@cesltd.com
www.cesltd.com

LISTING AT

Bombay Stock Exchange Limited, Mumbai
Ahmedabad Stock Exchange Limited, Ahmadabad

K Mohana Rao





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Annual Report 2020 - 2021

NOTICE

NOTICE is hereby given that the 36th Annual General Meeting of CES LIMITED will be held on Thursday, 30th day of September 2021, 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, 2021 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, 2021 together with the reports of Statutory Auditors thereon.

2. To re-appoint Mrs. Aruna Krishna Sabbineni 06997005) who retires by rotation and being eligible, offers himself for re-appointment.

To consider reappointment of Mrs. Aruna Krishna Sabbineni (06997005), 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, Mrs. Aruna Krishna Sabbineni 06997005), 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."

PLACE: HYDERABAD

DATE: 03/09/2021

BY ORDER OF THE BOARD



Mohan Rao Kancharla
Whole-Time Director



IMPORTANT NOTES:

1. The Explanatory Statement, pursuant to Section 102 (1) of the Companies Act, 2013, setting out material facts in respect of the ordinary /special business items set out under item no 4 accompanying notice.
2. 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.





3. 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.
- A) General instructions for accessing and participating in the 36th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting**
4. In view of the continuing COVID-19 pandemic, for maintaining social distancing norms and pursuant to General Circular nos. 14/2020, 17/2020, 20/2020, and 02/2021 dated April 8, 2020, April 13, 2020, May 5, 2020, and January 13, 2021, respectively, issued by the Ministry of Corporate Affairs (MCA) and Circular nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated May 12, 2020, and January 15, 2021, respectively issued by the Securities and Exchange Board of India (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 36th AGM of the company will be convened through VC/OAVM in compliance with the provisions of Act, and Rules made thereunder, Listing Regulations read with the Circulars.
 5. 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.
 6. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
 7. 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 2020-2021 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 2020-2021 will also be available on the Company's website www.cesltd.com 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 down loaded from the Company's website at www.cesltd.com for receiving all communication including Annual report, notices from the Company electronically.

8. The Register of Members and Share Transfer Books of the Company shall remain closed from 24 September (Friday) 2021 to 30 September Thursday) 2021. (Both days inclusive) and Cut off date for sending AGM notice shall be 27th August, 2021
9. Company has appointed NSDL to provide facility for voting through remote e-Voting, for participation in the 36th AGM through VC/OAVM Facility and e-Voting during 36th AGM.






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10. 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.
11. 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 for 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.
12. 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. Mohan Rao Kancharla (mohan.kancharla@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.
13. The Board of Directors has appointed CS Putcha Sharada 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.
14. 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, to Chairman or Director or Key Managerial Personnel as authorized by the Board of the Company, who shall countersign the same.
15. 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.
16. Electronic Voting through remote mode as per Annexure-6

PLACE: HYDERABAD
DATE: 03/09/2021

BY ORDER OF THE BOARD
For CES LIMITED

Mohan Rao Kancharla
Whole-Time Director



Annual Report 2020 - 2021

DIRECTORS' REPORT

To
The Members of
M/s. CES LIMITED

The Directors have pleasure in presenting the 36th Annual Report of the Company together with the Audited Accounts for the year ended on 31st March 2021 (01.04.2020 to 31.03.2021).

FINANCIAL RESULTS

(Rs. In Lacs)

	Consolidated		Standalone	
	2020-2021	2019-2020	2020-2021	2019-2020
Total Revenue	32,953.69	27,827.32	13,211.76	11,583.04
Profit Before Depreciation	4,039.47	3,367.81	991.43	1,450.27
Depreciation	659.27	826.47	297.71	342.79
Profit Before Taxation	3,380.20	2,541.34	693.72	1,107.48
Provision for Taxation	814.84	540.21	405.24	161.09
Profit after Taxation	2,565.36	2,001.12	288.48	946.39
Total Comprehensive Income	2,405.07	1,878.39	164.26	832.78
Brought Forward Profit/(Loss)	4,910.11	3,522.26	2,049.22	1,216.44
Balance carried to Balance Sheet	7,026.00	4,910.11	2,213.48	2,049.22

BUSINESS PERFORMANCE OF THE COMPANY

Standalone: Our revenue for financial year 2020-21 is Rs. 13,211.76 Lacs and our profit after tax (PAT) Rs. 288.48Lacs.

Consolidated: Our consolidated financial results for financial year 2020-21 is Rs. 32,953.69 Lacs and our consolidated profit after tax (PAT) is Rs. 2405.08 Lacs.

K Mohan Rao





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 Sebbineni(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 Sebbineni(01825682)	Member (Non-Executive Director)

Note: Shri Appa Rao Kancherla was Committee member passed away on 27.11.2020 and accordingly Committee was reconstituted with above members.

STAKEHOLDER RELATIONSHIP COMMITTEE

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

K. Subbarao
P




CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

DURING THE FINANCIAL YEAR 2020-2021, SIX 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 2020-21, Six meetings of the Board of Directors of the Company were held on 29.06.2020, 12.08.2020, 04.09.2020, 13.11.2020, 05.12.2020 & 13.02.2021.. Detailed information on the meetings of the Board is included in the Corporate Governance Report which forms part of the Annual Report.

FINANCIALS OF SUBSIDIARY COMPANY

Pursuant section 129 sub section (3), the financials of subsidiary are as per **Annexure –I**.

ANNUAL RETURN

The annual return of the company as on March 31, 2021, in terms of the provisions of Section 134(3)(a) of the Act, is available on the company's website: www.cesltd.com

The extract of annual return enclosed in **Annexure –II in form MGT-9**.

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:

- That in the preparation of the annual accounts/financial statements for the financial year ended 31st March 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- 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
- 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;
- That the annual accounts were prepared on a going concern basis;
- That proper internal financial controls were in place and that such internal financial controls are adequate and were operating effectively; and
- 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

K. Mohan Kancharla



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.

DISCLOSURES OF TRANSACTIONS OF THE LISTED ENTITY WITH ANY PERSON OR ENTITY BELONGING TO THE PROMOTER/PROMOTER GROUP WHICH HOLD(S) 10% OR MORE SHAREHOLDING IN THE LISTED ENTITY:

S.No	Name of the Related Party	Nature of Relation	Nature of Transaction	2020-21	2019-20
1	CES Information Technologies Pvt. Ltd.	Common directors	Services rendered	Rs. 600,000/-	Rs. 600,000/-
2	CES Global IT Solutions Pvt. Limited.	Common directors	Services rendered	Rs. 1,05,80,000/-	Rs. 96,00,000/-
3	CES Technology Services Pvt. Ltd.	Common directors	Services rendered	-NIL -	Rs. 17,00,000/-

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 2020-2021:

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:-

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- 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:

Particulars	(Rs. In Lacs)	
	31.03.2021	31.03.2020
Foreign Exchange Earnings	11,549.37	11,338.58
Foreign Exchange Outgo :		
Foreign Travelling	NIL	66.47

AUDITORS

Statutory / Financial Audit

The Company had, approved the appointment of M/s. P C N & Associates, (FRN: 0160165), Chartered Accountants, as the Statutory Auditors of the Company for a period of five years w.e.f. 29th September ,2017 in the 32nd Annual General Meeting. Being eligible they are continuing as statutory auditors of the Company.

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- III**.



**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.

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

Pursuant to Regulation 31(2) of SEBI (LODR) Regulation 2015, 100 % Promoter holding to be in dematerialized account, it was notice out 35,00,000 equity shares, 16,87,500 equity shares were dematerialized, The Company is in the process of dematerialisation of further 18,12, 500 equity shares. The Promoters are Foreign Trusts and it was informed by the Company, that Foreign Trusts approached many brokerage firms and none have accepted to open the demat account.

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

There are no such changes

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

Shri Appa Rao Kancherla Passed away on 27.11.2020.

Mr. Benarji Mallampati resigned as Chief Financial officer (KMP) of the Company effective from 24th November, 2020. Subsequently, the Board appointed Mr. Srinivasa Raju Kucherlapati as Chief Financial officer (KMP) w.e.f. 5th December, 2020.

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
v.	CES Information Systems Private Limited	Associate Company
vi.	Infra Master Private Limited	Associate Company
vii.	CES Limited LLC	Foreign Branch in United States

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	Mohan Kancharla Whole time Directors
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18
	(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	-
Total		18

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	100,000	105,000	2.05
2	Commission	Nil	Nil	Nil
3	Others, please specify	Nil	Nil	Nil
Total				2.05



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. Bernaji Mallampatti, Chief Financial Officer	Mr. Surya Prakash M Company Secretary	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.54	14.78	13.88	35.2
	Total	6.54	14.78	13.88	35.2

Note : Srinivas Raju Kucherlapati was appointed as CFO on 05.12.2020 and Mr. Surya Prakash Mungelkar Resigned on 03.09.2021

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, 2020, 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. In order to achieve this, it is imperative that the Company is in a position to offer competitive remuneration in all its operational locations.

Particulars of Contracts / Arrangements with Related Parties

During the financial year 2020-2021, 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.

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Annual Report 2020 - 2021

The details of the related party transactions as per Accounting Standard 18 are set out in Note 36 to the standalone financial Statements forming part of this report.

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	:	03/09/2021	Name: Mohan Rao Kancharla	Name : Rama Krishna Sabbineni
Place	:	Hyderabad	DIN: 00004288	DIN: 01825682
			Whole- Time Director	Director




THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(a) INDIAN IT & ITES (BPM) INDUSTRY

Fitch Ratings-Hong Kong/Singapore-28 April 2021 states a robust digital-transformation order pipeline will support Indian IT services companies' stronger revenue growth in the financial year ending March 2022 (FY22), says Fitch Ratings. According to Fitch the impact on Indian IT service companies from the recent surge of Covid-19 cases in India will be limited, as revenue from India contributes only 4%-5% of the total revenue of these companies. However, their operations may be affected if the situation continues to worsen, such that more employees are unable to work and the delivery of projects is delayed.

Fitch believes demand has increased significantly since last financial year as business customers accelerate efforts to offer enhanced online services and online working platforms to remain competitive and relevant in a business environment affected by the pandemic. IT services spending will rise by 9% in 2021, after a 2% decline in 2020, according to research firm Gartner. Fitch expect Indian IT companies to expand faster than the industry average, as they have significant cost advantages compared with peers in the developed countries due to lower labour costs in India.

According to Fitch companies that focus on digital transformation to perform better than those in legacy IT businesses such as business process outsourcing.

On profitability, Fitch forecast EBIT margins in FY22 to be lower than FY21, but should not be weaker than pre-pandemic levels. FY21 EBIT margins of top-tier Indian IT companies were around 2pp higher than FY20, as there were savings from travel and office-related expenses, in addition to salary freezes due to the pandemic. A higher offshoring trend and lower attrition rates also supported profitability.

Fitch expect some of the savings to reverse, as travel resumes and offices open gradually in FY22-FY23. Wages should start rising again on robust business performance and a stronger job market. Fitch also believe competition and supply chain pressures will also prevent EBIT margins from staying at the peak level in FY21. Even so, the offshoring trend is less likely to reverse, as remote working has proved to be successful for most customers.

IMPACT OF COVID -19 ON IT INDUSTRY

According to Nasscom, on average, industry-wide revenue decreased 6 percent q-o-q in Q2 FY20 as project execution was impacted by lockdowns and demand dropped amid market disruption. Sectors such as aviation and hospitality have undergone significant downturns and reduced their IT spending dramatically.

The report stated, "The impact of the coronavirus pandemic is likely to be only moderate and "short term", as customers focus on transforming their businesses digitally, moving services and work platforms online, and minimise spending on legacy services".

It is expected that the industry will take advantage of its low-cost activities and retain its strong presence in the global IT market. As it primarily serves US and Europe-based customers, it will continue to remain export-driven.

K. Mohana Rao



According to the study, companies are likely to step up their efforts to keep their companies alive by providing cloud-based online services and online job platforms. Research firm Gartner has projected that revenue from the Indian IT services market will rise by a 10 percent CAGR and hit \$350 billion in 2025. Fitch assumes that digital organizations, such as automation tools and cloud-based service delivery, are expected to perform better than those with a reliance on IT services.

For the IT services industry, revolutionary innovations such as big data analytics, cloud computing, and machine learning will become new growth drivers. "It believe that Indian IT services companies will benefit by helping their clients achieve automation, implementing cloud services, moving online products and processes, and enhancing digital channel customer experiences," the report said. Fitch assumes that it would not impact sales growth, despite over 90% of the employees of most IT companies working from home (WFH), as most businesses have recorded a smooth transition to WFH.

In the longer term, effective WFH initiatives can suggest greater offshoring, as they provide clear evidence that projects can be delivered remotely.' Fitch assume that the billing rates are 3-4 times higher for onsite work than for offshore work. As a result, a higher percentage of offshore projects may affect the rate of revenue growth of the industry," the report said.

In the longer term, effective WFH initiatives can suggest greater offshoring, as they provide clear evidence that projects can be delivered remotely.' Fitch also assume that the billing rates are 3-4 times higher for onsite work than for offshore work. As a result, a higher percentage of offshore projects may affect the rate of revenue growth of the industry," the report said.

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

India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for top IT firms in India. Export revenue of the industry is expected to grow 7-9 per cent year-on-year to US\$ 145-150 billion in FY20. The industry is expected to grow to US\$ 350 billion by 2025 and BPM is expected to account for US\$ 50-55 billion out of the total revenue.



**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. The Company in the international business faces tough challenges in getting employable manpower from the available manpower pool. CES Limited has been investing a lot of resources for training candidates on the basic skills that are required to make them employable. The attrition rate in the Domestic business is also on similar lines. CES has extended its learning in the International segment to Domestic market and necessary processes are in place to ensure that right candidates are being hired, trained and retained.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**CONSOLIDATED**

The year-end consolidated income from operations is Rs. 31,346.57 lakhs and Net profit/ PAT is Rs. 2,565.36 lakhs.

STANDALONE

The year-end standalone income from operations is Rs. 12,684.48 Lakhs and Net Profit/ PAT is Rs. 288.48 Lakhs.

(b) Segment-wise.

SEGMENT WISE RESULTS (STANDALONE):**BUSINESS SEGMENT:**

PARTICULARS	2020-21		2019-2020	
	IT SERVICES	IT ENABLED SERVICES	IT SERVICES	IT ENABLED SERVICES
Net Revenue	4365.71	8318.77	2,241.35	9,097.23
Profit Before Taxes	238.77	454.95	221.49	885.98
Provision for Taxes	139.40	265.84	32.21	128.87
Profit After Taxes	99.36	189.12	189.28	757.11

(Rs. In Lacs)

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GEOGRAPHICAL SEGMENT:

PARTICULARS	2020-21		2019-20	
	USA	DOMESTIC	USA	DOMESTIC
Net Revenue	12,642.48	41.96	11,338.58	0.00
Profit Before Taxes	691.43	2.29	1,107.47	0.00
Provision for Taxes	403.81	1.34	161.09	0.00
Profit After Taxes	287.52	0.96	946.38	0.00

SEGMENT WISE RESULTS (CONSOLIDATED):

BUSINESS SEGMENT:

PARTICULARS	2020-21		2019-20	
	IT SERVICES	IT ENABLED SERVICES	IT SERVICES	IT ENABLED SERVICES
Net Revenue	8213.61	23,132.86	5,714.21	22,113.12
Profit Before Taxes	885.70	2494.50	521.85	2019.49
Provision for Taxes	213.51	601.33	110.93	429.28
Profit After Taxes	672.19	1893.17	410.92	1590.20

GEOGRAPHICAL SEGMENT:

PARTICULARS	2020-21		2019-20	
	USA	DOMESTIC	USA	DOMESTIC
Net Revenue	31,304.62	41.96	27,755.76	71.56
Profit Before Taxes	3375.68	4.52	2,534.8	6.54
Provision for Taxes	813.75	1.09	538.83	1.39
Profit After Taxes	2561.93	3.43	1,995.98	5.15

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(c) Risks and concerns.

BUSINESS RISKS.

The International business is affected adversely by Covid -19 and we are actively monitoring the business trends and accordingly management is acting as per situations of industry . The offshore servicing business which yields exports revenue has not grown and it continues to have a lower Capacity Utilization. We have teams in US as well as consultants will keep putting efforts to grow this business.

The Domestic business is improving gradually and pricing in the market has been increasing gradually. We now have good capacity utilization in this business at rates which are much higher than what we were getting a few years back. The plan is to keep looking for strategic contracts where we can negotiate higher rates and make this business more profitable.

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 2020-21. 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. While the rupee was range bound between INR 73- 75 against the USD for most part of the year, there was a sudden movement of the rupee towards the last fortnight of the financial year where in the rupee appreciated upto 77 INR. 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.

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HUMAN RESOURCES RISK

ITES (BPM) industry is a labour 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 and but our Company has a low level of attrition compare to industry. There have been cases of companies losing KPO orders for not being able to demonstrate a competent team that can manage a large workforce. Increasing level of attrition further complicates the problem.

There is a gap between the supply and demand of work force. Further, the available man power is not immediately employable in terms of the skill sets required for the industry. Thus the shortage of supply in quality manpower both at the managerial level and at the agent's level may significantly affect the functioning of the Company.

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.

Compliance and Certification Achievements in the Year 2020: 2021**Payment Card Industry – Data Security Standards (PCI-DSS) Certification:**

CES Has completed its certification in the Payment Card Industry – Data Security Standards for Payment Cards for Hyderabad and Chennai Locations. This certification shall ensure globally that "Data Security" is given the highest priority with best practices being implemented and maintained at technical as well as operational level components while performing business process activities like Order Processing, Payment Processing, Customer Support services, Fraud Verification, etc., for its global clients.

Cyber Security Framework:

With a focus on securing its Network, Servers, systems and end-users, CES has initiated the implementation of the Cyber Security Framework provided by NIST (National Institute of Science and Technology – USA).

The NIST cyber security framework is a powerful tool to organize and improve your cyber security program. It provides a set of guidelines and best practices to help organizations build and improve their cyber security posture. The framework puts forth a set of recommendations and standards that enable organizations to be better prepared in identifying and detecting cyber-attacks and also provides guidelines on how to respond, prevent, and recover from cyber incidents.

HIPAA Compliance:

With software projects being developed for US Healthcare organizations, CES with a focus to comply and align its Software Development activities has started implementing the "Health Insurance Portability and Accountability Act" guidelines. These guidelines provide Data Security Standards set at the highest level for all Hospitals, Insurance organizations, Health care providers, etc., across the US while developing any applications or products for them by CES here in India at its Offshore Development Centers.

Service Organization Controls: SOC Compliance

CES has implemented and demonstrated SOC (Service Organization Controls) compliance. An International compliance framework that assures its customers that a set of best Security Practices are being followed and complied while using the customer-provided Information, Documentation, Data, etc. during the Business Process execution from CES offshore locations that support Customer Business.





This also helps service organizations like CES Ltd that provide services to customers and other entities, build Trust and Confidence in the service(s) performed and controls related to the services through a report by an independent Certified Public Accountants from AICPA (American Institute of Certified Public Accountants).

ISO 27001: 2013 – International Standard for Information Security:

CES is a Certified Organization for Information Security and has continuously demonstrated its compliance to Confidentiality, Integrity, and Availability of Information and Data at various levels thru its periodic audits performed by TUV INDIA PVT LIMITED (an Independent and Internationally Accredited Certification body).

ISO 22301: 2000 – International Standard for Business Continuity

Having esteemed customers added to its business, CES is also certified on **ISO 22301: International Standard for Business Continuity Management**. This shall enable and assure customers that CES is capable of delivering the agreed services despite any business disruptions. Having added the new Vishakhapatnam location, CES promises a robust Business Continuity Framework for Service Delivery and Software Delivery activities from Hyderabad-Chennai-Vishakhapatnam locations. The Business Continuity Model of Hyderabad –Chennai – Vishakhapatnam in India gives the assurance and flexibility to the customers to meet the expectation on Availability, Integrity, and Security of his Business Processes requirements supported by CES.

Our Corporate Quality team is continuously trained on all International Standards, Frameworks, Industry Specific Compliance, and Governance requirements and has good competency in performing audits efficiently and effectively across all locations.

With a focus on Information and Data Security, Customer Delight, and Delivery Assurance, all our operational locations are audited frequently to ensure that the People, Processes, and Infrastructure adheres to the best practices of safety, security, reliability, and availability for all its customers and interested parties.

DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFOR, INCLUDING:

S. No.	Ratios	Significant Changes
1	Debtors Turnover Ratio	Decreased by 1.92 times
2	Inventory Turnover	We are into software industry, therefore we don't have any inventory in our books of account. Hence, these ratios can't be calculated.
3	Interest Coverage Ratio	Interest coverage ratio 1174.339 times (Explanation: It shows the strong financial position of the company to pay back its financial obligation.)
4	Current Ratio	Increased by 0.05 times
5	Debt Equity Ratio	We don't have any debt as on 31.03.21. Hence, this ration can't be calculated.
6	Operating Profit Margin (%)	Increased by 1.57% Explanation: Because of strategic policies implemented by the management)
7	Net Profit Margin (%)	Decreased by 45% (Explanation: Because of increase in Operating Expenses, Admin Expenses)

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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

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. It has also established the WE CARE framework for honoring commitments to, and ensuring a positive experience by, our key stakeholders.

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)
	Mrs. Aruna Krishna Sabbineni
(b) Independent	Mr. Duruvasan R
	Mr. Murali Krishna Tummala
(ii) Executive Director:	Mr. Mohan Kancharla

Disclosure of relationships between directors inter-se;

Mr. Appa Rao Kancharla who was alternate Director for Mr. Sai Krishna Kancharla was passed away on 27.11.2020

Y K Mohan Rao



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

Name of the Director	Number of meetings held	Number of Board Meetings Attended	Whether attended last AGM	Number of Memberships of other Boards as on 31 st March, 2021	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 (Mr.Appa Rao Kancharla is Alternate Director)	6	2	N	1	-	-	-
Mr.Mohan Kancharla	6	6	Y	7	-	-	-
Mr.Duruvasan Ramachandra	6	6	Y	3	-	-	1
Mrs. Aruna Krishna Sabbineni	6	1	NA	3	-	-	-
Mr. Murali Krishna Tummala	6	6	Y	4	-	-	-
Mr. Venkat Davapalli (Mr. Rama Krishna Sabbineni is alternate Director)	6	1	Y	3	-	-	-

Note: Mr. Appa Rao Kancharla Passed away on 27.11.2020.

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.

K. Venkat Davaraparalli



Date of the Board Meeting	Board's Strength	No. of Directors present/ required to Present
29.06.2020	6	4
12.08.2020	6	4
04.09.2020	6	3
13.11.2020	6	3
05.12.2020	6	3
13.02.2021	6	4

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	✓	✓	✓	✓	✓	✓	✓	✓
VENKATESHWAR A RAO DAVARAPALLI	✓	✓	✓	✓	✓			
RAMA KRISHNA SABBINENI			✓	✓	✓	✓	✓	
ARUNA KRISHNA SABBINENI				✓	✓		✓	
SAI KRISHNA KANCHARLA	✓	✓	✓	✓	✓			
APPA RAO KANCHERLA			✓	✓	✓	✓	✓	

Note:

1. Mr. Appa Rao Kancherla who was alternate Director for Mr. Sai Krishna Kancharla Passed away on 27.11.2020.
2. 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, 2021:

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:

Five Audit Committee Meetings were held during the year ended 31st March, 2021. The maximum time gap between any of the two meetings was not more than four months.

Audit Committee Meetings held during the year 2020-21 and attendance details:

Date of the Meeting	Committee Strength	No. of Directors present
29.06.2020	3	3
13.08.2020	3	3
13.11.2020	3	3
05.12.2020	3	3
13.02.2020	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, 2021:

Name	Designation
Mr. Duruvasan Ramachandra (00223052)	Chairman
Mr. Murali Krishna Tummala (1889806)	Member
Mr. Appa Rao Kancharla (02532842)	Member

Meetings and Attendance

Date of the Meeting	Committee Strength	No. of Directors present
04.09.2020	3	3

2. REMUNERATION OF DIRECTORS:

- 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
Commission	-
Contribution to Provident Fund and Superannuation Fund	-
Benefits	-
Total	18

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	Surya Prakash Mungelkar (Resigned on 03.09.2021
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

K Mohan Rao



7. GENERAL BODY MEETINGS:

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

Financial Year	Location of AGM	Date & Time of AGM
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
2017-18	Seventh Floor Ramky Selenium, Nanakramguda, Gachibowli, Hyderabad-500032	28 th September, 2018 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 .
2017-18 28.09.2018	1. Alteration in the clause no. 3 of the Articles of Association. 2. To review, alter, modify the remuneration including salary, allowances, perquisites, etc., of Shri Mohana Rao Kancharla (00004288), Whole Time Director of the company.

(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:

K Mohana Rao





(g) Financial Results tentative dates for year 2021-2022

13.08.2021, 12.11.2021, 14.02.2022 and 29.05.2022

(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.

Website, where displayed;

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

(i) Whether it also displays official news releases;

It also displays official information on cesltd.com

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

The Company has not made any Investor related presentation in the 2020-21, but it has plans to make it in the 2021-2022.

9. GENERAL SHAREHOLDER INFORMATION:

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

Annual general meeting to be held on 30.09.2021 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).

(l) Financial year;

2020-2021

(m) 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 two Stock Exchanges;

1. **Bombay Stock Exchange**
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.
2. **Ahmedabad Stock Exchange**
Kamadhenu Complex, Opp. Sahajanand College, Panjarapole, Ahmedabad-380015.

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

(n) Stock code;

Stock code for Bombay Stock Exchange: 512341
Stock Code for Ahmedabad Stock Exchange: 52380

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

K. Nohana

S. No	Month 2019-2020	High	Low
1	April	8.18	8.18
2	May	8.18	8.18
3	June	8.18	8.18
4	July	8.18	8.18
5	August	8.18	8.18
6	September	8.18	8.18
7	October	8.18	8.18
8	November	8.18	8.18
9	December	8.18	8.18
10	January	8.18	8.18
11	February	8.18	8.18
12	March	8.18	8.18

(p) 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;

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

ISIN for the Equity Shares: INE396F01013

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

(r) Distribution of shareholding;

Distribution of Shareholding as on 31st March, 2021:

K. Asha Rani



(s) Demat and Physical Shares;

SL NO	CATEGORY	HOLDERS	HOLDERS PERCENTAGE	SHARES	AMOUNT	AMOUNT PERCENTAGE
1	1 - 5000	2	7.41	280	2800	0
2	50001 - 100000	1	3.7	8400	84000	0.02
3	100001 & Above	24	88.89	36391320	363913200	99.98
	Total:	27	100	36400000	364000000	100

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	7446460	20.46
4	Held in Dematerialized form in NDSL	23065952	63.37
5	Physical	5887588	16.17
6	Total no. of Shares	36400000	100

(t) 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.

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

The Company has entered into Hedging Contract with IndusInd bank and ICICI Bank for Foreign Exchange risk.

K Mohana Rao





Annual Report 2020 - 2021

(v) Office Locations

INDIA

HYDERABAD

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

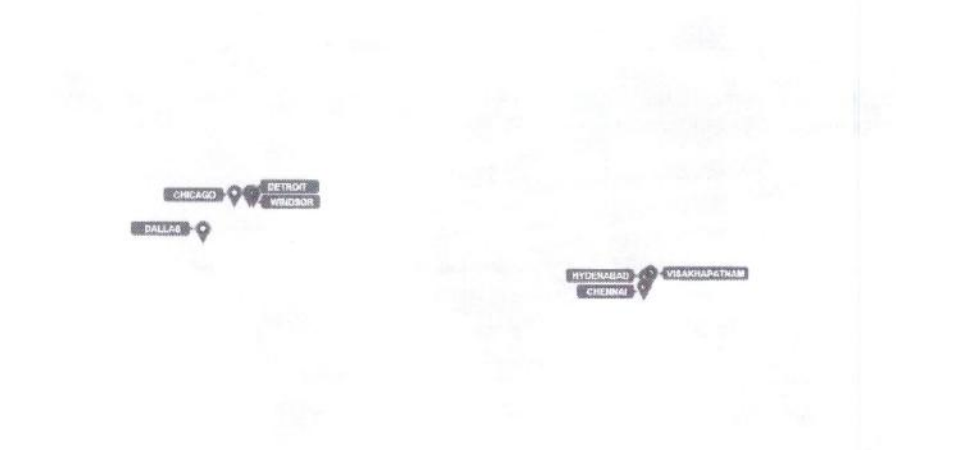
VISHAKHAPATNAM (NEW CENTER)

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

K. Mohan



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/Corporate-Governance/Policy-for-Determining-material-Subsidiary.pdf>

K. Mohana Rao



- (e) Web link for related party transactions
<https://www.cesltd.com/Corporate-Governance/policy-on-related-party-transaction.pdf>
- (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	
	2020-2021	2019-2020
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 Company has Non-Executive Chairman and all the expenses incurred by Chairman are borne by the Company.

(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 2020-2021, 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

K Mohana Rao





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.

The Board of Directors
CES Limited

I, Mohana Rao Kancharla, 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, 2021 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.






AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

COMPLIANCE CERTIFICATE FROM EITHER THE AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE SHALL BE ANNEXED WITH THE DIRECTORS' REPORT.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF CES LIMITED

We have examined the compliance of conditions of Corporate Governance by **CES Limited** ("the Company"), for the year ended March 31, 2021, as per Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 for the period April 1st, 2020 to March 31st, 2021.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above- mentioned Listing Agreement/Listing Regulation, as applicable.

We further state that such compliance 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.

(Firm Regn No:016016S)

M/s P C N & Associates.

Plot No.12 N Heights Software layout unit,
Cyderabad, Hyderabad - 500 081.

K Mohan Das



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

COMPLIANCE REPORT ON DISCRETIONARY REQUIREMENTS UNDER REGULATION 27(1) OF THE LISTING REGULATIONS**i. The Board:**

Since the Chairperson is an Executive Chairman, the maintenance of Office to the Non-executive Chairperson at the Company's expense is not applicable.

ii. Shareholders' rights: All the quarterly financial results are submitted to the Bombay stock exchange and are simultaneously placed on the website of the Company at: www.cesltd.com apart from publishing the same in the newspapers.

iii. Modified opinion(s) in audit report: There are no modified opinion(s) in the Audit Reports.

iv. Separate posts of Chairperson and Chief Executive Officer: The Company does not have separate persons to the post of chairperson and Chief Executive Officer.

v. Reporting of internal auditor: The Internal auditor reports to the Chairman of the Audit Committee directly



CORPORATE SOCIAL RESPONSIBILITY (CSR)

1. PROGRAMMES & PROJECTS



CES Limited presenting Rs. 1,00,000/- cheque to the Terminally Ill Patient Care Healthcare

Focused on improving healthcare scenario, we support the Saathi Foundation, an NGO fighting against HIV. The NGO works closely with pregnant HIV mothers to ensure the child remains protected. Saathi, an NGO fighting against HIV to prevent spread of disease from mother to child during Pregnancy.

2. 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. Mohan Kancharla (00004288)	Executive Director

Mohan Kancharla


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

Financial Years	Year
2018-19	Rs. 8,29,35,702
2019-20	Rs 11,07,47,704
2020-21	Rs 6,93,72,485
Average of previous three years	Rs. 8,76,85,297

4. CSR Expenditure: Rs.17,69,575/-

5. Details of CSR Spend during the financial year 2020-2021

During the financial year 2020-2021 CES Limited transferred 100 % i.e. Rs.17,69,575/- to CES Foundation.

6 Amount if any not spent: Nil

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

(2) The percentage increase in remuneration of each Director, Managing Director & Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company in the financial year 2020-2021.

The Information has been mailed to all the members of the Company, if any of the Stake holders require may send mail on Companies official ID: info@cesltd.com.

(3) The percentage increase in the median remuneration of employees in the financial year 2020-21

12 %

(4) The number of permanent employees on the rolls of Company

The Permanent employees on rolls of the Company were 703 as on 31st March 2021

(5) 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.

(6) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.

There are 72 employees as on 31st March, 2021 who are receiving higher salary than Director.

Affirmation that the remuneration is as per the Remuneration Policy of the Company Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, KMPs, Senior Management and other employees of the Company is as per the Remuneration Policy of the Company.






Pattern of Shareholding as on 31st March 2021

Category	Number of Shareholders	No. of Shares	% of Share-holding
Promoters	12	27242012	74.84
Public :			
Institutional Investors:			
Mutual Funds & UTI, Banks, Financial Institutions & Others	-	-	-
	-	-	-
Bodies Corporate	-	-	-
Indian Public	15	9157988	25.16
Foreign Nationals/NRIs/ OCBs	-	-	-
Clearing Members	-	-	-
FIIIs	-	-	-
GRAND TOTAL	27	36400000	100.00

DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a 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, 2021 as envisaged in SEBI LODR (Regulations) 2015 with stock exchanges.

Place: Hyderabad
Date: 03.09.2021

K Mohana Rao
Whole Time Director
September 3rd 2021

K Mohana Rao
CES LIMITED
HYDERABAD



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FORM AOC.1 (Annexure -I)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Part "A": Subsidiaries

(Rs. In Lacs)

S.No.	Particulars	Name of the Subsidiary			
		CES USA Inc.	CES Information Technologies Pvt. Ltd.	CES Technology Services Private Limited	CES Global IT Solutions Private Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable, as the reporting period is same for all the subsidiaries.			
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD (1USD=75.3859)	INR	INR	INR
3	Share capital	345.90	1.00	1.00	1.00
4	Reserves & surplus	2,536.48	1382.84	200.86	867.77
5	Total assets	8,360.13	2446.19	201.93	1329.07
6	Total Liabilities	8,360.13	2446.19	201.93	1329.07
7	Investments	-	-	-	-
8	Turnover	18,161.15	2515.35	17.55	2315.72
9	Profit before taxation	1626.31	695.52	6.55	358.08
10	Provision for taxation	160.17	175.54	2.72	71.16
11	Profit after taxation	1466.13	519.98	3.83	286.92
12	Proposed Dividend	-	-	-	-
13	% of shareholding	100%	70%	100%	100%






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FORM NO. MGT.9 (Annexure-II)

(EXTRACT OF ANNUAL RETURN)

As on the financial year ended on 31st March, 2021 [Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS	
CIN	L55100TG1985PLC045963
Registration Date	10.04.1985
Name of the Company	CES Limited
Category/Sub-Category of the Company	Public Limited Company
Address of the Registered Office	Seventh Floor, Ramky Selenium, Nanakramguda, Gachibowli, Hyderabad- 500081.
Whether Listed Company	Yes
Name, address and contact details of Registrar & Transfer Agent (RTA), if any.	Aarthi Consultants Pvt. Ltd, 1-2-285, Domalguda, Hyderabad - 500029, Ph: 040 – 27634445 & Fax No: 040 – 27632184.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
All the business activities contributing 10% or more of the total turnover of the Company shall be stated :-			
Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
1	IT Enabled Services- BPO/KPO	63999	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	CES Information Technologies Private Limited	U72200TG2006PTC049332	Subsidiary Company	70 %	2(87)
2	CES USA Inc.	NA	Subsidiary Company	100%	2(87)
3	CES Technology Services Private Limited	U72200TG2010PTC067406	Subsidiary Company	100%	2(87)
4	CES Global IT Solutions Private Limited	U72200TG2014PTC095431	Subsidiary Company	100 %	2(87)
5.	CES Information Systems Private Limited	U72200TG2001PTC037992	Associate Company	NA	2(6)
6.	Infra Master Private Limited	U70102TG2007PTC052277	Associate Company	NA	2(6)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)






I) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2859612	-	2859612	7.86	2859612	-	2859612	7.86	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub-Total(A)(1):	-	-	-	-	-	-	-	-	-
(2) Foreign									
a) NRIs-Individuals	20882400	-	20882400	57.37	20882400	-	20882400	57.37	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	3500000	3500000	9.62	-	3500000	3500000	9.62	-
Sub-Total(A)(2):									
Total Shareholding of Promoters(A)=(A)(1)+(A2)	23742012	3500000	27242012	74.84	23742012	3500000	27242012	74.84	
B. Public Shareholding									
1) Institutions									
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total(B)(1)									

(II) SHAREHOLDING OF PROMOTERS

K Mohan Rao



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)Non-Institutions									
a)Bodies Corporate	-	-	-	-	-	-	-	-	-
i)Indian	-	-	-	-	-	-	-	-	-
ii)Overseas	-	-	-	-	-	-	-	-	-
b)Individuals	-	-	-	-	-	-	-	-	-
i)Individual shareholders holding nominal share capital up to Rs.1 lakh/Rs. 2 lakh	5880	13188	19068	0.05	280	13188	13468	0.04	Nil
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakhs/Rs 2 lakh	6761720	2374400	9136120	25.1	6761720	2374400	9136120	25.1	Nil
C)Others (specify)									
Foreign Nationals	-	-	-	-	-	-	-	-	-
Non-Resident Indians	2800	-	2800	0.01	8400	-	8400	0.02	Nil
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	9157988	9157988	9157988	25.16	9157988	9157988	9157988	25.16	Nil
Total Public Shareholding (B)=(B)(1)+(B)(2)	6770400	2387588	9157988	25.16	6770400	2387588	9157988	25.16	Nil
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	30512412	5887588	36400000	100	30512412	5887588	36400000	100	Nil

K. Nohara



S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr.Ram Kancharla	10280200	28.24	Nil	10280200	28.24	Nil	Nil
2	Mr.Venkat Davarapalli	8838200	24.28	Nil	8838200	24.28	Nil	Nil
3	Mr.Srinivasa Chakravarthy Yalamati	1445612	3.97	Nil	1445612	3.97	Nil	Nil
4	Nidhi Sri Davarpalli Trust	875000	2.4	Nil	875000	2.4	Nil	Nil
5	Nitya Sri Davarpalli Trust	875000	2.4	Nil	875000	2.4	Nil	Nil
6	Sunil Kancharla Irrevocable Trust	875000	2.4	Nil	875000	2.4	Nil	Nil
7	Sai Krishna Kancharla Irrevocable Trust	875000	2.4	Nil	875000	2.4	Nil	Nil
8	Mrs.Sreevani Kancharla	875000	2.4	Nil	875000	2.4	Nil	Nil
9	Mrs.Rama Devi Davarpalli	875000	2.4	Nil	875000	2.4	Nil	Nil
10	Mrs.Yalamati Sujatha	714000	1.96	Nil	714000	1.96	Nil	Nil
11	Mr.Mohan Kancharla	700000	1.92	Nil	700000	1.92	Nil	Nil
12	Mr.Venkata Subba Rao Kancharla	14000	0.04	Nil	14000	0.04	Nil	Nil




(III) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

S.No.		Shareholding at the beginning of the year		Cumulative Shareholding During the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year	27242012	74.81	27242012	74.81
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)	Nil			
3	At the end of the year between 2019-20 and 2020-21	27242012	74.81	27242012	74.81

(IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

S.No.	Name	Shareholding during the year 2019-2020		Shareholding during the year 2020-2021	
		No. of Shares at the beginning /end of the year	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Pokuri Swarnalatha	3165120	8.7	3165120	8.7
2	M. Babu Rao	2010400	5.52	2010400	5.52
3	Maddukuri Hemalatha	1540000	4.23	1540000	4.23
4	Dharma Sastha K	1377600	3.78	1377600	3.78
5	M.S Chowdhary	649600	1.78	649600	1.78
6	V. Kalpana	86800	0.0023	86800	0.0023
7	K. Bhavani	75600	0.00207	75600	0.00207
8	SK Gulzar	72800	0.0020	72800	0.0020
9	K.Padmavathi	67200	0.0018	67200	0.0018
10	N.Nagalakshmi	61600	0.00169	61600	0.00169

K Mohana Rao



(V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.

S.No.		Shareholding at the beginning of the year		Cumulative Shareholding During the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
A	Directors				
1	Mr.Venkat Davarapalli	8838200	24.28	8838200	24.28
2	Mr.Mohan Kancharla	700000	1.92	700000	1.92
3	Mr.Rama Krishna Sabbineni	Nil	Nil	Nil	Nil
4	Mr. Sai Krishna kancharla	Nil	Nil	Nil	Nil
5	Mr.Appa Rao Kancharla	Nil	Nil	Nil	Nil
6.	Mrs. Aruna Krishna Sabbineni	Nil	Nil	Nil	
B	Key Managerial Personnel (KMPs)				
1	Mr.Mohan Kancharla	700000	1.92	700000	1.92
2	Mr. Srinivas Kucherlapati (CFO)	Nil	Nil	Nil	Nil
3	Mr.Surya Prakash Mungelkar	Nil	Nil	Nil	Nil

Note: Apart from the aforesaid Directors, no other Director held any shares in the Company during the year and Mr. Surya Prakash Mungelkar Resigned on 03.09.2021.

Handwritten signature: K. Mohan Kancharla



V. Indebtedness

(Rs. Lakhs)

Indebtedness of the Company including interest outstanding / accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
* Additions	-	-	-	-
* Reduction#	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. 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	Mohan 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 - -
2	Stock Options	-
3	Sweat Equity	-
4	Commission	-
	- as a % of profit	-
	- Others, specify...	-
Total		18
Ceiling as per the Act		34.67

B. Remuneration to other Directors:

(Rs.)




S.No.	Particulars of Remuneration	Name of the Director			Total Amount
		Duruvasan Ramachandra	Murali Tummala	Krishna	
1	Fee for attending board / committee meetings	100,000	105,000		2,05,000/-
2	Commission	Nil	Nil		Nil
3	Others, please specify	Nil	Nil		Nil
Total (B1)					2,05,000/-
Other Non-Executive Directors					
	Name of the Director				Total Amount
1	Fee for attending board / committee meetings	-	-	-	-
2	Commission	-	-	-	-
3	Others, please specify	-	-	-	-
Total (B1)					-
Total (B)=(B1+B2)					2,05,000/-
Total Sitting Fees					-
Total Commission					2,05,000/-
Overall Ceiling as per the Act for payment of commission to Non-Executive Directors					-
C. Remuneration to Key Managerial Personnel Other than MD / Manager/AG					6,93,700/-

C. Remuneration to Key Managerial Personnel Other than MD / Manager/WT

S.No.	Particulars of Remuneration	Key Managerial Personnel			Total (Rs. Lakhs)
		Mr. Srinivas Raju Kucherlapati Chief Financial Officer	Mr. Bernaji Mallampatti, Chief Financial Officer	Mr. Surya Prakash M Company Secretary	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.54	14.78	13.88	35.2
	(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	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as a % of profit	-	-	-	-
	- Others, specify...	-	-	-	-
5	Others, please specify.	-	-	-	-
Total		6.54	14.78	13.88	35.2

K Mohan Rao





Note : Srinivas Raju Kucherlapati was appointed as CFO on 05.12.2020 and Mr. Surya Prakash Mungelkar Resigned on 03.09.2021

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding Fees Imposed.	Authority (RD/NCLD/ COURT)	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

K Mohana Rao





ANNEXURE -III (Secretarial Audit Report)
SECRETARIAL AUDIT REPORT
FORM NO. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

To,
The Members,
CES Limited
Seventh Floor, Tower-A,
Ramky Selenium Building,
Nanakramguda, Gachibowli
Telangana - 500032

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

Based on my 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 my opinion, the company has, during the audit period covering the financial year ended March 31, 2021 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 March 31, 2021 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 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, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines , 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

1. **Other Laws applicable to the Company;**




- i. Employee State Insurance Act, 1948
- ii. Equal Remuneration Act, 1976
- iii. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
- iv. The Employee Provident Fund and Miscellaneous Provisions Act, 1952
- v. The Payment of Gratuity Act, 1972
- vi. The Maternity Benefits Act, 1961
- vii. The Income Tax Act, 1961
- viii. Shops and Establishments Act, 1948
- ix. The Finance Act, 1994

I have also examined compliance with the applicable Listing Agreement clause for the following;

- I. The SEBI (LODR) Regulations, 2015 entered into by the Company with Bombay Stock Exchange;
- II. The Company's main business is into IT enabled services and to ancillary services thereto.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- 1) The Company not increased its authorized capital.
- 2) The company had not increased its paid up capitals.
- 3) 100 % Promoter holding to be in dematerialized account, it was notice out 35,00,000 equity shares, 16,87,500 equity shares were dematerialized, The Company is in the process of dematerialisation of further 18,12, 500 equity shares.

I had also examined compliance with the applicable clauses of:

- The Listing Agreements entered into by the Company with Bombay Stock Exchange (BSE Limited)
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (with effect from 1st December, 2015);
- The Secretarial Standards issued by The Institute of Company Secretaries of India (SS-1 & SS-2).
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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.

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 clarification on the agenda items before the meeting and for meaningful participation at the meeting.

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






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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.

I further report that I have not examined the books, papers, minute books, forms and returns filed and other records maintained by subsidiaries and associates companies of M/s. **CES Limited** for the financial year ended on March 31, 2021.

I further report that for the purpose of the Income Tax Act, 1961 and rules made thereon, I have relied on the audit report issued by the statutory auditor of the Company. My examination in respect of the same is based solely on reports of the statutory auditor.

Sarada Putcha
Practicing Company Secretary
ACS No. 21717
CP No. 8735

Place: Hyderabad

Date: 3rd September 2021

UDIN: A021717C000889771

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.

Enclosed:
Annexure A

K Asha Res




Annexure A

To
The Members
M/s. CES Limited

My report of even date is to be read along with this letter.

1. 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.
2. 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.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. 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.
6. 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.

Sarada Putcha
Company Secretary in practice
Sarada Putcha
M. No.: 21717
C.P. No.: 8735
UDIN: A021717C000889771

3rd September, 2021
Hyderabad

K Mohana Rao




SECRETARIAL COMPLIANCE REPORT OF
M/s. CES LIMITED
FOR THE YEAR ENDED 31ST MARCH, 2021

I, **Sarada Putcha**, Company Secretaries, Hyderabad has examined:

- (a) All the documents and records made available to me and explanation provided by **M/s. CES LIMITED (CIN: L55100TG1985PLC045963)** listed entity.
- (b) the filings/submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity;
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March 2021 (Review period) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading Regulations, 2015;




(i) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and circulars/ guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review Period;

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Regulation 31(2) of SEBI (LODR) 2015	35, 00,000 promoter shares are physical mode.	100 % promoter shareholding to be into dematerialise form, but 35, 00,000 promoter shares are into physical mode as on 31.03.2021

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:-

Sr. No.	Action taken by	Details of violation	Details of action taken Eg. Fines, warning letter, debarment, etc;	Observations/ remarks of the Practicing Company Secretary, if any
NIL	NIL	NIL	NIL	NIL

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the Secretarial Compliance Report for the year ended	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	The Promoters of the Company has initiated	The Promoters of the Company has initiated	On the date of this report it was out notice	The Company is in the process of dematerialisation

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	dematerialisation process from physical shares	dematerialisation process from physical shares	35,00,000 equity shares, 16,87,500 equity shares were dematerialized	of further 18,12, 500 equity shares.
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Date: 23-06-2021
Place: Hyderabad

Sarada Putcha
Company Secretaries
ACS No: 21717
C. P. No.: 8735
UDIN: A021717C000502551






**FORM No. MR-3
SECRETARIAL AUDIT REPORT**

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

To,
The Members,
CES INFORMATION TECHNOLOGIES PRIVATE LIMITED
North Wing- A Division, Fourth Floor, Tower- A Ramky Selenium Building, Nanakramguda, Gachibowli Hyderabad
TELANGANA 500032 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 us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my 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 authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended March 31, 2021 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, 2021 according to the applicable provisions of:

- 1) The Companies Act, 2013 ('the Act') and the rules made there under;
- 2) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under; NA
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; NA
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
- 5) 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; NA
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; NA
 - c. 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; NA
- (6) Contract Labour (Regulation and Abolition) Act, 1970
- (7) Employees State Insurance Act, 1948
- (8) Employees Compensation Act, 1923
- (9) Employees Provident Fund and Miscellaneous Provisions Act, 1952
- (10) Factories Act, 1948
- (11) Industrial Disputes Act, 1947
- (12) Industrial Employment (Standing Orders) Act, 1946
- (13) Indian Contract Act, 1872
- (14) Income Tax Act, 1961 and Indirect Tax Laws
- (15) Indian Stamp Act, 1999






- (16) Minimum Wages Act, 1948
- (17) Payment of Bonus Act, 1965
- (18) Payment of Gratuity Act, 1972
- (19) Payment of Wages Act, 1936

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Notified w.e.f. 1st July, 2015)
- (ii) The Listing Agreement entered into by the Company with BSE Limited - NA

The existing Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) w.e.f. 1st December, 2015 entered into by the Company with BSE Limited. During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. – N. A.

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. 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. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

All meetings were duly held in compliance with provisions of the Companies Act, 2013, rules thereof and the Secretarial Standard 1 issued by the Institute of Company Secretaries of India 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 the decisions in the Board meeting were taken unanimously during the audit period.

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.

I further report that during the audit period there were no instances

- (a) Public/Right/Preferential issue of shares/debentures/sweat equity, etc.
- (b) Redemption/buy-back of securities
- (c) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (d) Merger/amalgamation/reconstruction, etc.
- (e) Foreign technical collaborations

Place: Hyderabad
Date: 03rd September, 2021

Putcha Sarada
Practicing Company Secretary

ACS No: 21717
CP No: 8735
UDIN: A021717C000890640






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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
TELANGANA 500032 INDIA

My report of even date is to be read along with this letter.

7. 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 our audit.
8. 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.
9. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
10. 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.
11. 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.

Putcha Sarada

Practicing Company Secretary

ACS No: 21717

CP No: 8735

UDIN: A021717C000890640

Place: Hyderabad

Date: 03rd September, 2021

Putcha Sarada



ANNEXURE –IV

CERTIFICATE UNDER SCHEDULE V(C)(10)(I) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), 2015

To
The Members,
CES Limited
Hyderabad.

SUB: Certificate under Schedule V(C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements), 2015

I, Sharada Putcha , Practicing Company Secretary have examined the Company and Registrar of Companies records, books and papers of CES Limited (CIN: L55100TG1985PLC045963) having its Registered office at **7th Floor, Tower-A, Ramky Selenium, Nanakramguda, Gachibowli, Hyderabad - 500 032**, Telangana State, India (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the Financial Year ended on March 31, 2021. In my opinion and to the best of my information and according to the examinations carried out by me and explanations and representation furnished to me by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2021:

List of Director of the Company as on 31st March, 2021:

S. No.	DIN No.	Name of the Director	Designation
1	1889806	Murali Krishna Tummala	Chairman and Independent Director
2	00223052	Duruvasan R	Independent Director
3	00004288	Mohana Rao Kancharla	Whole –Time Director
4	06997005	Aruna Krishna Sabbineni	Director
5	02532842	Appa Rao Kancharla	Alternate Director of Sai Krishna Kancharla
6	01825682	Rama Krishna Sebbineni	Alternate Director of Venkat Davarapalli
7	07775575	Sai Krishna Kancharla	Director
8	00028498	Venkat Davarapalli	Director

Note: Shri Appa Rao Kancherla Passed away on 27.11.2020

For Sharada Putcha
Company Secretary in practice
Sharada Putcha
M. No.: 21717
C.P. No.: 8735
UDIN: A021717C000915401






ANNEXURE – V

E- VOTING INSTRUCTIONS DETAILS

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

The remote e-voting period begins on 27th September 2021 at 10:00 A.M. (IST) and ends on 29th September, 2021 at 05:00 P.M. (IST) 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. 24.09.2021, 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 24.09. 2021.

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.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a

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	<p>Personal Computer or on a mobile. Once the home page 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> <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>
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'?

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- (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.

K Mohana Rao



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 to (NSDL Office) 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 mohan.kancharla@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 mohan.kancharla@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 : mohan.kancharla@cesltd.com . The same will be replied by the company suitably.

✓ K Mohan Kesri





P C N & ASSOCIATES
CHARTERED ACCOUNTANTS
Plot No. 12, "N Heights"
Ground Floor, Software Layout Unit
Cyberabad, Hyderabad - 500 081.

Tel. : (91-40) 2311 9499
E-mail : pcnassociates@yahoo.com

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, 2021, 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.

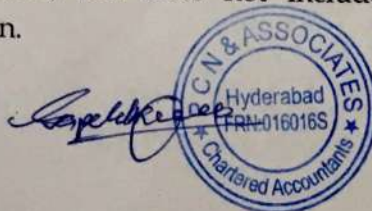
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, 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.

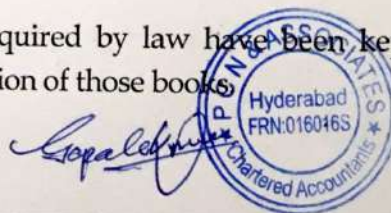
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.





P C N & ASSOCIATES

CHARTERED ACCOUNTANTS

Plot No. 12, "N Heights"

Ground Floor, Software Layout Unit

Cyberabad, Hyderabad - 500 081.

Tel. : (91-40) 2311 9499

E-mail : pcnassociates@yahoo.com

- 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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.

For P C N & Associates.,

Chartered Accountants

FRN: 016016S


K. Gopala Krishna

Partner

M.No. 203605

UDIN No.21203605AAAAHI4302



Place: Hyderabad

Date: 30.06.2021



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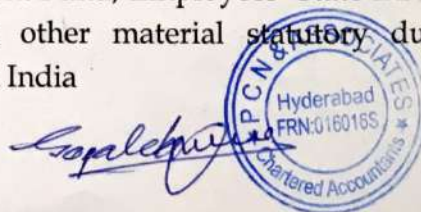
ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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 2021, we report that:

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

(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.
- ii. The Company is a service company, primarily rendering software services. Accordingly, it does not hold any physical inventories. Thus, this clause is not applicable to the company
- 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. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by 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 2021 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	60,75,920 (23,97,286)	2014-15	Income Tax Appellate Tribunal, Hyderabad
Income Tax Act, 1961	Income Tax	30,40,050 (6,08,100)	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 has not availed any loans from financial institutions or banks or issued debentures as at balance sheet date. Hence the comment on the same is not applicable.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans.
- x. 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.





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- xi. According to information and explanation given to us and based on our examination of records of the company, the Company has paid/provided for managerial remuneration in accordance with the provisions of section 197 read with schedule V to the Act.
- 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. According to the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 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.

For P C N & Associates.

Chartered Accountants

FRN: 016016S



K Gopala Krishna

Partner

M.No. 203605

UDIN No. 21203605AAAAHI4302

Place: Hyderabad

Date: 30.06.2021



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, 2021 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.



**P C N & ASSOCIATES**

CHARTERED ACCOUNTANTS

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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, 2021, 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. 21203605AAAAHI4302

Place: Hyderabad

Date: 30.06.2021

CES LIMITED

Standalone Balance Sheet as at 31st March 2021

Particulars	Note No	As on 31-03-2021	As on 31-03-2020
		(Rs.)	(Rs.)
ASSETS:			
1 Non-Current Assets:			
(a) Property, Plant and Equipment	1	414,197,286	439,338,477
(b) Capital Work-in-progress		3,371,315	2,537,457
(c) Goodwill		8,598,773	11,462,466
(d) Financial Assets:			
(i) Investments	2	100,438,610	100,438,610
(ii) Other Financial Assets	3	42,127,233	35,987,437
2 Current Assets:			
(a) Financial Assets:			
(i) Trade Receivables	4	296,276,912	182,766,270
(ii) Cash and Cash Equivalents	5	194,537,387	84,129,486
(iii) Loans	6	77,854,943	122,656,646
(b) Other Current Assets	7	1,231,393	32,433,414
Total		1,138,633,851	1,011,750,263
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	8	364,000,000	364,000,000
(b) Other Equity	9	354,035,856	337,609,846
Liabilities			
2 Non-Current Liabilities			
(a) Financial Liabilities:			
(i) Borrowings	10	-	-
(b) Provisions	11	54,723,921	33,481,956
(c) Deferred Tax Liabilities (Net)	12	21,008,704	12,904,191
3 Current Liabilities			
(a) Financial Liabilities:			
(i) Trade Payables	13	13,385,574	22,512,219
(b) Other Current Liabilities	14	272,602,190	168,779,857
(c) Provisions	15	58,877,606	72,462,194
Total		1,138,633,851	1,011,750,263

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

K Gopala Krishna
Partner
M.No. 203605

Place : Hyderabad
Date : 30th June 2021



For and on behalf of the Board
CES Limited

K Mohana Rao
Mohana Rao Kancharla
Director

Rama Krishna S
Director

Srinivas Kuchelapati
Chief Financial Officer

Srinivas Prakash M
Company Secretary



CES LIMITED

Standalone Statement of Profit and Loss for the Year ended 31st March 2021

Particulars	Note No	Year Ended 31-03-2021	Year Ended 31-03-2020
		(Rs.)	(Rs.)
I. Revenue from Operations	16	1,268,447,623	1,133,858,276
II. Other Income	17	52,728,853	24,445,638
III. Total Income (I + II)		1,321,176,476	1,158,303,914
IV. Expenses:			
Employee Benefits expense	18	624,491,279	491,629,667
Finance costs	19	84,497	602,944
Depreciation and Amortization Expense	1	29,771,114	34,279,492
Other Expenses	20	597,457,102	521,044,108
IV. Total Expenses		1,251,803,991	1,047,556,210
V. Profit/(Loss) before exceptional items and tax (III - IV)		69,372,485	110,747,704
VI. Exceptional Items		-	-
VII. Profit/(Loss) before tax (V-VI)		69,372,485	110,747,704
VIII. Tax expense:	21		
(i) Current tax		32,074,051	21,727,601
(ii) Deferred tax		8,449,985	(5,618,721)
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)		28,848,449	94,638,824
X. Other Comprehensive Income.			
A. Items that will not be reclassified to Profit or Loss			
(i) Exchange (gain)/Loss on foreign currency transactions		-	235,020
(ii) Actuarial loss on defined benefit plans recognised in accordance with Ind AS 19.		(12,422,439)	(11,595,308)
Total Comprehensive Income for the period		16,426,010	83,278,536
XI. Earnings per equity share (for continuing operation):			
(1) Basic		0.79	2.60
(2) Diluted		0.79	2.60

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

K Gopala Krishna
Partner
M.No. 203605

Place : Hyderabad
Date : 30th June 2021



For and on behalf of the Board
CES Limited

K Mohana Rao
Mohana Rao Kancharla
Director

Rama Krishna S
Rama Krishna S
Director

Srinivas Kucherlapati
Srinivas Kucherlapati
Chief Financial Officer

Surya Prakash M
Surya Prakash M
Company Secretary



CES LIMITED

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021

Particulars	Year Ended 31-03-2021 (Rs.)	Year Ended 31-03-2020 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary items	69,372,485	110,747,704
Adjustments for:		
Interest	84,497	602,944
Depreciation	29,771,114	34,279,492
Comprehensive income for the year	(12,422,439)	(11,360,288)
Operating Profit before working capital changes	86,805,657	134,269,852
Adjustments for:		
Trade and other receivables	(113,510,641)	17,210,232
Short Term Loans and Advances	44,801,703	(17,564,309)
Other Current Liabilities	103,822,333	(83,739,303)
Short Term provisions	(13,584,588)	15,080,576
Trade payables	(9,126,645)	(14,555,146)
Other Current assets	31,202,022	(23,300,496)
Cash generated from operations	130,409,840	27,401,406
Direct taxes	(32,074,051)	(21,727,601)
Cash flow before extraordinary items	98,335,789	5,673,805
Extraordinary items	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	98,335,789	5,673,805
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(2,600,088)	(2,797,001)
Proceeds from other financial assets	(6,485,268)	(1,524,530)
Proceeds from Loan	-	(4,212,143)
Investment in Non-Current Investments	-	(16,050,000)
Net Cash Used In Investing Activities	(9,085,356)	(24,583,674)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest paid	(84,497)	(602,944)
Long Term Liabilities	-	-
Long Term Provisions	21,241,966	10,756,930
Long Term Loans and Other Financial Assets	-	-
Net Cash Flow From Financing Activities	21,157,469	10,153,986
NET INCREASE\ (DECREASE) IN CASH AND CASH EQUIVALENTS	110,407,902	(8,755,883)
Cash and Cash equivalents (Opening Balance)	84,129,485	92,885,368
Cash and Cash equivalents (Closing Balance)	194,537,387	84,129,485

AS PER OUR REPORT OF EVEN DATE

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

K Gopala Krishna
Partner
M.No:203605

Place : Hyderabad.
Date : 30th June,2021



For and on behalf of the Board
CES Limited

K Mohana Rao

Mohana Rao Kancharla
Director

Rama Krishna S

Rama Krishna S
Director

Srinivas Kuchelapati
Chief Financial Officer

Surya Prakash M
Company Secretary



CES LIMITED

Note No. 09 - Standalone Statement of Changes in Equity for the period ended 31st March 2021

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 01-04-2019	364,000,000	131,292,936	45,688,367	87,000,000	(9,649,993)	618,331,310
Profit for the period	-	94,638,824	-	-	-	94,638,824
Remeasurement of Net defined benefit Liability / Asset	-	-	-	-	(11,595,308)	(11,595,308)
Exchange gain/(Loss) on foreign currency transactions	-	-	-	-	235,020	235,020
Balance as at 31-03-2020	364,000,000	225,931,760	45,688,367	87,000,000	(21,010,281)	701,609,846
Profit for the period	-	28,848,449	-	-	-	28,848,449
Remeasurement of Net defined benefit Liability / Asset	-	-	-	-	(12,422,439)	(12,422,439)
Exchange gain/(Loss) on foreign currency transactions	-	-	-	-	-	-
Balance as at 31-03-2021	364,000,000	254,780,209	45,688,367	87,000,000	(33,432,720)	718,035,856




K. Mohanappa

CES LIMITED

NOTE NO. 1: PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS AS AT 31-03-2021

Sl. No.	Particulars	Gross Block				Depreciation/Amortization			Net Block as on 31.03.2021	Net Block as on 31.03.2020
		As on 01.04.2020	Additions during the Year	Deletions during the Year	As on 31.03.2021	Dep. As on 01.04.2020	Depre. on Deletions	Dep. For the Year	Total Depreciation	
1	PROPERTY, PLANT AND EQUIPMENT:									
2	BUILDINGS (HYDERABAD)	253,424,246	-	-	253,424,246	18,076,693	-	4,009,804	22,086,497	235,347,553
3	COMPUTERS & SOFTWARE	102,914,438	1,026,530	-	103,940,968	96,343,031	-	4,543,229	100,886,260	3,054,708
4	OFFICE EQUIPMENT	66,668,676	424,000	-	67,092,676	41,715,562	-	8,978,039	50,693,601	16,399,075
5	FURNITURE AND FIXTURES	78,921,132	-	-	78,921,132	26,878,909	-	6,945,866	33,824,775	45,096,357
6	MOTOR VEHICLES	5,550,912	315,700	-	5,866,612	4,497,495	-	452,098	4,949,593	917,019
7	LEASE HOLD LAND (SIPCOT)	2,504,250	-	-	2,504,250	362,561	-	25,443	388,004	1,053,417
8	BUILDING (SIPCOT)	31,346,107	-	-	31,346,107	4,534,113	-	481,523	5,015,636	26,811,994
	BUILDINGS (VIZAG)	92,995,415	-	-	92,995,415	2,578,333	-	1,471,420	4,049,753	88,945,662
1	INTANGIBLE ASSETS:									
	GOODWILL	28,636,929	-	-	28,636,929	17,174,463	-	2,863,693	20,038,156	11,462,466
1	CAPITAL WORK IN PROGRESS									
	BUILDING (VIZAG)	2,537,457	833,858	-	3,371,315	-	-	-	-	2,537,457
	TOTAL	665,499,562	2,600,088	-	668,099,650	212,161,160	-	29,771,116	241,932,276	453,338,400
	PREVIOUS YEAR	662,702,553	2,881,507	84,300	665,499,560	177,881,668	-	34,279,492	212,161,160	484,820,892

Signature


K N Sharma


CES LIMITED

Standalone Notes to Financial Statements for the Year ended 31st March, 2021

NOTE NO. 2 : INVESTMENTS

S.No.	Particulars	As on 31-03-2021 (Rs.)	As on 31-03-2020 (Rs.)
I	Investments in Equity Instruments:		
	1) Investment in Subsidiaries		
	a) Equity Shares		
	1) CES USA Inc. USA (Unquoted) -100% Holding 780,000 (previous year 780,000) equity shares of USD 1 each, fully paid Wholly owned subsidiary of the company.	34,589,632	34,589,632
	2) CES Information Technologies Pvt. Ltd. 6,999 (Previous year 7000) equity shares of Rs. 10/- fully paid up	70,000	70,000
	3) CES Global IT Solutions Private Limited. 9,999 equity shares of Rs. 10/- fully paid up	35,120,166	35,120,166
	4) CES Technology Services Private Limited. 9,999 equity shares of Rs. 10/- fully paid up.	30,658,812	30,658,812
	Total Investments	100,438,610	100,438,610

NOTE NO. 3 : OTHER FINANCIAL ASSETS

S. No.	Particulars	As on 31-03-2021 (Rs.)	As on 31-03-2020 (Rs.)
	Non Current		
a	Security Deposits	8,347,353	9,112,317
b	Statutory dues Receivable	33,779,880	26,875,120
	Total Other Financial Assets	42,127,233	35,987,437

NOTE NO. 4 : TRADE RECEIVABLES

S. No.	Particulars	As on 31-03-2021 (Rs.)	As on 31-03-2020 (Rs.)
	Unsecured, Considered Good		
a	Accounts Receivable	294,731,647	182,766,270
b	Doubtful Debts	1,545,264	-
	Total Trade Receivables	296,276,912	182,766,270

NOTE NO. 5 : CASH AND CASH EQUIVALENTS

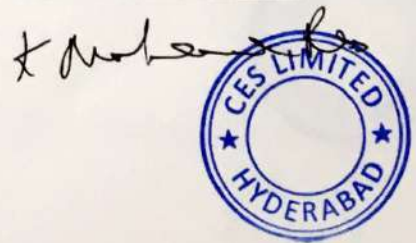
S. No.	Particulars	As on 31-03-2021 (Rs.)	As on 31-03-2020 (Rs.)
	Cash and cash equivalents :		
a	Balances with banks :		
	On Current Accounts	123,520,091	36,993,278
	Bank deposits with less than 12 months maturity	71,014,059	47,048,000
b	Cash on hand	3,237	88,208
	Total Cash and Cash Equivalents	194,537,387	84,129,486

NOTE NO. 6 : LOANS -CURRENT

		As on 31-03-2021 (Rs.)	As on 31-03-2020 (Rs.)
	Unsecured, Considered Good		
a	Loans and Advances to Employees	567,530	80,000
b	Prepaid Expenses	16,743,403	15,884,758
c	GST Input Credit	34,003,471	52,514,813
d	Advance Tax and TDS Receivable	25,932,439	40,390,130
e	Other Advances	608,100	13,786,943
	Total Loans -Current	77,854,943	122,656,645

NOTE NO. 7 : OTHER CURRENT ASSETS

		As on 31-03-2021 (Rs.)	As on 31-03-2020 (Rs.)
a	Interest Accrued on Deposits	-	3,329,555
b	Other Current Assets	1,231,393	29,103,860
	Total Other Current Assets	1,231,393	32,433,414



CES LIMITED

Standalone Notes to Financial Statements for the year ended 31st March, 2021

NOTE NO. 8 : EQUITY SHARE CAPITAL

S.No.	Particulars	As on 31-03-2021 (Rs.)	As on 31-03-2020 (Rs.)
I	Equity Share Capital		
	(a) Authorised (3,65,00,000 Shares of 10/- each Current Year) (2,01,00,000 Shares of 10/- each Previous Year)	- 365,000,000 365,000,000	- 365,000,000 365,000,000
	(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)) (13,00,000 Shares of 10/- each Previous Year)	- 364,000,000 -	- 364,000,000 -
	(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)) (13,00,000 Shares of 10/- each Previous Year)	- 364,000,000 364,000,000	- 364,000,000 364,000,000
	Total Equity Share capital	364,000,000	364,000,000
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.10 Each, Fully paid up		
	At the Beginning	36,400,000	36,400,000
	Issued during the year - Bonus Shares	-	-
	At the end	36,400,000	36,400,000
III	<u>Details of Shareholder holding more than 5% shares of the company:</u>	<u>% of Share Holding</u>	
	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 Swamalatha - 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. 9 : OTHER EQUITY

S. No.	Particulars	As on 31-03-2021 (Rs.)	As on 31-03-2020 (Rs.)
I	RESERVES AND SURPLUS		
	a) General Reserves		
	As at the commencement of the year	45,688,367	45,688,367
	Less: Transferred towards depreciation under Companies Act 2013	-	-
		45,688,367	45,688,367
	b) Capital Reserve (Sharewarrants forfeited)	87,000,000	87,000,000
	c) Revaluation Reserve	-	-
	d) Retained Earnings :		
	i) Opening Balance - Profit and Loss Account	204,921,479	121,642,943
	Add: Transfer from Profit & Loss Account	16,426,010	83,278,536
	Less: Amount transferred for issue of Bonus Shares	-	-
		221,347,489	204,921,479
		308,347,489	291,921,479
	Total Other Equity	354,035,856	337,609,846



K Mohana Rao



NOTE NO. 10 : BORROWINGS -NON CURRENT

S. No.	Particulars	As on 31-03-2021 (Rs.)	As on 31-03-2020 (Rs.)
a	Term Loans:		
	Term Loans from Banks :		
	- Mortgage Loan from Indus Ind Bank (Secured against mortgage of Land and Building with the Bank)	-	-
	- Mortgage Loan from ICICI Bank (Secured against mortgage of Land and Building with the Bank)	-	-
	- Vehicle Loan from Bank of India (Secured Against Hypothecation of Car with the Bank)	-	-
b	Other Loans	-	-
	Total Borrowings-Non Current	-	-

NOTE NO. 11 : PROVISIONS-NON CURRENT

S. No.	Particulars	As on 31-03-2021 (Rs.)	As on 31-03-2020 (Rs.)
a	Provisions for employee benefits		
	Provision for Gratuity-Non Current	47,371,155	33,481,956
b	Provision for Leave Encashment-Non Current	17,352,766	-
	Total Provisions	54,723,921	33,481,956

NOTE NO. 12: DEFERRED TAX LIABILITY (NET)

S. No.	Particulars	As on 31-03-2021 (Rs.)	As on 31-03-2020 (Rs.)
I	Opening Deferred tax Liability	27,199,345	27,199,345
	Add:		
	Deferred Tax Liability for the year	8,449,985	-
	Gross Deferred tax Liability	35,649,330	27,199,345
	Opening Deferred tax Asset	14,295,154	8,676,433
	Deferred Tax Asset for the year	345,472	5,618,721
	Gross Deferred tax Asset	14,640,626	14,295,154
	Deferred Tax Liability/(Asset) - Net	21,008,704	12,904,191

NOTE NO. 13: TRADE PAYABLES

S. No.	Particulars	As on 31-03-2021 (Rs.)	As on 31-03-2020 (Rs.)
a	Trade Payable	13,385,574	22,512,219
	Total Trade Payables	13,385,574	22,512,219

NOTE NO. 14: OTHER CURRENT LIABILITIES

S.No.	Particulars	As on 31-03-2021 (Rs.)	As on 31-03-2020 (Rs.)
a	Current Maturities of long term debt	-	-
b	Statutory dues Payable	8,663,660	6,895,583
c	Other Current Liabilities	251,539,136	156,745,458
d	Advance from Customers	5,457,942	5,138,816
e	Security Deposits Payable	2,326,000	-
f	Outstanding Expenses Payable	4,615,452	-
	Total Other Current Liabilities	272,602,190	168,779,857

NOTE NO. 15 : PROVISIONS-CURRENT

S.No.	Particulars	As on 31-03-2021 (Rs.)	As on 31-03-2020 (Rs.)
a	Employee Benefits Payable	2,768,926	11,994,618
b	Provision for Gratuity-Current	2,100,103	1,420,429
c	Provision for Leave Encashment-Current	3,623,617	-
d	Audit fee Payable	435,000	423,250
e	Provision for Income Tax	16,842,220	23,391,386
f	Other Provisions	33,107,740	35,232,511
	Total Provisions	58,877,606	72,462,194



K. Mohan Reddy



CES LIMITED

Standalone Notes to Financial Statements for the year ended 31st March, 2021

NOTE NO. 16 : REVENUE FROM OPERATIONS

S.No.	Particulars	Year Ended 31-03-2021	Year Ended 31-03-2020
		(Rs.)	(Rs.)
(i)	Revenue from operations		
	Sale of Services		
a	Domestic Sales	4,195,599	-
b	Export Sales	1,264,252,024	1,133,858,276
	Total Revenue from Operations	1,268,447,623	1,133,858,276

NOTE NO. 17 : OTHER INCOME

S.No.	Particulars	Year Ended 31-03-2021	Year Ended 31-03-2020
		(Rs.)	(Rs.)
a	Interest income	3,683,087	1,300,264
b	Rental Income	20,809,122	18,810,566
c	Other Income	8,653,796	-
d	Exchange Gain	19,582,848	4,334,808
	Total Other Income	52,728,853	24,445,638

NOTE NO. 18 : EMPLOYEE BENEFIT EXPENSES

S.No.	Particulars	Year Ended 31-03-2021	Year Ended 31-03-2020
		(Rs.)	(Rs.)
a	Salaries & Wages	566,332,980	466,553,107
b	Contribution to Provident & Other Funds	55,196,109	11,303,961
c	Staff Welfare Expenses	2,962,189	13,772,599
	Total Employee Benefit Expenses	624,491,279	491,629,667

NOTE NO. 19 : FINANCE COSTS

S.No.	Particulars	Year Ended 31-03-2021	Year Ended 31-03-2020
		(Rs.)	(Rs.)
a	Interest on Vehicle Loan	-	5,108
b	Interest on Loan	84,497	597,836
	Total Finance Cost	84,497	602,944



K Mohan



NOTE NO. 20 : OTHER EXPENSES

S.No.	Particulars	Year Ended 31-03-2021	Year Ended 31-03-2020
		(Rs.)	(Rs.)
a	Electricity Charges	5,340,798	15,812,344
b	Rent	10,197,201	14,807,486
c	Repairs to Buildings and Equipments	3,281,907	2,422,752
d	Insurance	12,640,489	10,568,327
e	Telephone, Postage and Others	8,083,244	8,764,842
f	Advertisement Expenses	65,704	51,677
g	Travelling & Conveyance Expenses	3,738,093	32,492,543
h	CSR Expenditure	1,769,575	2,010,000
i	Office Maintenance	12,258,024	17,338,004
j	Printing & Stationery Expenses	15,840	31,820
k	Security Charges	2,564,028	4,244,103
l	Rates & Taxes (Excluding Income Tax)	2,846,965	4,215,114
m	Computer Hire Charges	11,491,061	11,174,097
n	Professional and Consultancy fee	43,771,626	53,728,710
o	Job Portal Expenses	10,235,782	8,702,357
p	Outside Consultancy Fees	434,492,688	303,551,417
q	Bank Charges	491,096	300,683
r	Dues and Subscriptions	1,900,728	2,151,227
s	Exchange Loss/ (Gain)	-	-
t	Payment to Auditors:	-	-
t	Audit fee	300,000	300,000
u	Business Promotion Expenses	1,042,880	796,539
v	Software cost	2,906,346	4,836,109
w	Sales & Marketing	27,494,124	22,743,958
x	Miscellaneous Expenses	528,903	-
Total Other Expenses		597,457,102	521,044,108

NOTE NO. 21 : TAX EXPENSE

S.No.	Particulars	Year Ended 31-03-2021	Year Ended 31-03-2020
		(Rs.)	(Rs.)
a	Income Tax-Current Year	16,842,220	21,727,601
b	Income Tax-Previous Years	15,231,831	-
c	Deferred Tax	8,449,985	(5,618,721)
Total Tax Expense		40,524,036	16,108,880



K. Mohan Rao



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 fixed assets 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 Fixed Assets

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 fixed assets (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 fixed assets 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 fixed assets exceeds its recoverable amount.



K Mohan & Co.



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

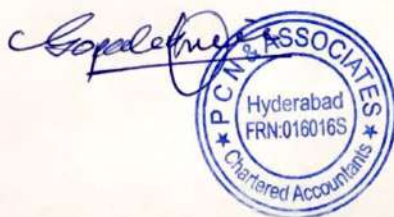
Tax expense for the year comprises of current tax and deferred tax.

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.

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.

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.

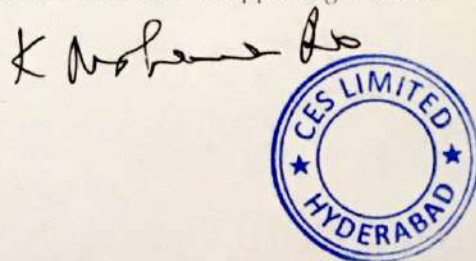
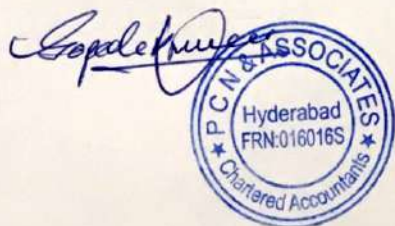
23.10 Segment Accounting Policies

(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 2021:

24. Expenditure in foreign currency:

	Year Ended 31.03.2021(Lakhs)	Year Ended 31.03.2020(Lakhs)
Foreign travelling	Nil	66.47
Earning in foreign exchange as reported by the Company to Government of India and as certified by the management		

	Year Ended 31.03.2021(Lakhs)	Year Ended 31.03.2020(Lakhs)
Foreign exchange inflow	11,549.37	11,338.58

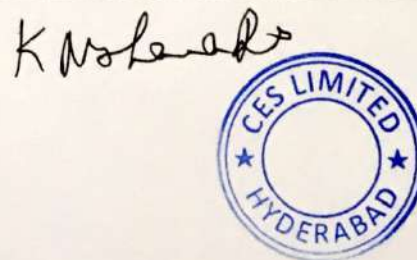
25. There are no dues to SSI units outstanding for more than 45 days.

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)	Subsidiary Company
2	CES Global IT Solutions Private Limited	Subsidiary Company
3	CES Technology Services Private Limited	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. Surya Prakash Mungelkar	Company Secretary & Compliance Officer



Transaction with Related Parties:

S. No	Nature of Transactions	2020-21 (Amount in Lakhs)
1	Revenue	
	CES Global LLC	97.23
	CES Enterprise LLC	30.08
	CES USA Inc	78.76
2	Rent Received	
	CES Global IT Solutions Pvt Ltd	105.8
	CES IT Private Limited	6
3	Cost of Sales	
	CES Global LLC	39.00
	CES IT Private Limited	179.14
	CES USA Inc	61.58
	CES Technology Services Pvt Ltd	14.56
4	Accounts Receivables	
	CES Global IT Solutions Pvt Ltd	9.35
	CES IT Private Limited	12.18
	CES Technology Services Pvt Ltd	0.30
5	Accounts Payable	
	CES IT Private Limited	31.81
	CES USA Inc	260.01
6	Unbilled Revenue	
	CES Global LLC	2.70
	CES Enterprise LLC	1.85
	CES USA Inc	4.60
7	Accrued Outside Services	
	CES IT Private Limited	87.35
	CES Global LLC	2.98
8	Key Managerial personnel	
	Mohana Rao Kancharla	18.00
	Srinivas Raju Kucheralapati	18.88
	Surya Prakash Mungelkar	13.88

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:

(Rs. In Lakhs)

Profit and Loss Statements for the year ended 31 st March 2021	IT Services	IT Enabled Services	Total
Revenues	4,365.71	8,318.77	12,684.48
Direct Expenses	2,149.65	4,096.11	6,245.76
Gross Income	2,216.06	4,222.66	6,438.72
Less: Un-allocated Expenses			6,272.28
Add: Interest Income			527.29
Net Profit Before Taxes			693.72
Income Taxes			405.24
Net Profit After Taxes			288.48

GEOGRAPHICAL SEGMENTS:

(In Lakhs)

Profit and Loss Statements for the year ended 31 st March 2021.	USA	DOMESTIC	Total
Revenues	12,642.52	41.96	12,684.48
Direct Expenses	6,225.10	20.66	6,245.76
Gross Income	6,417.42	21.30	6,438.72
Less: Un-allocated Expenses			6,272.28
Add: Interest Income			527.29
Net Profit Before Taxes			693.72
Income Taxes			405.24
Net Profit After Taxes			288.48



K. Mohan Das



28. Calculation of EPS as per Ind AS -33 for the year ending 31st March, 2021.

	<u>In Lakhs</u>
Profit available to the equity shareholders	288.48
Weighted average number of shares outstanding	364.00
Basic Earnings per Share	0.79
Diluted Earnings per Share	0.79

29. Previous year's figures have been regrouped wherever necessary.

30. The figures have been rounded off to the nearest rupee.

SIGNATURES TO NOTES 1 To 30

As per our report of even date

For P C N & Associates,
Chartered Accountants

Firm Registration No. 016016S

K Gopala Krishna
Partner

Membership No. 203605

Place: Hyderabad

Date: 30 June 2021

For and on behalf of the Board of Directors of

CES LIMITED

Mohana Rao Kanchanna
Director

Rama Krishna S
Director

Srinivas Kuchelapalli
Chief Financial Officer

Surya Prakash Mungelkar
Company Secretary



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INDEPENDENT AUDITOR'S REPORT

To the Members of
M/SCES 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, 2021, 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, 2021, 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

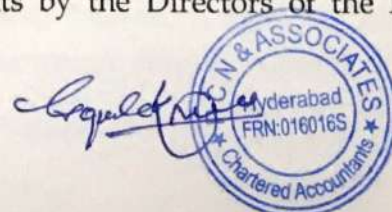
The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance 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.

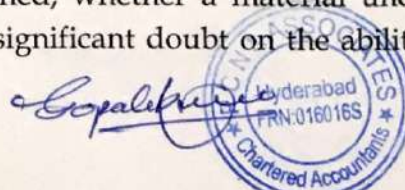
Those respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of the Group..

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



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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.



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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 2021, 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 2021 and for the period from 01-04-2020 to 31-03-2021 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.





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- e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2021, 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, 2021, 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

For P C N & Associates.

Chartered Accountants

FRN: 016016S



K Gopala Krishna

Partner

M.No. 203605

UDIN No.21203605AAAAHJ8788

Place: Hyderabad

Date: 30-06-2021



"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')

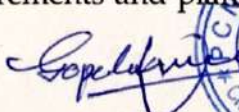

In conjunction with our Audit of the consolidated Ind AS financial statements of the company as of and for the year ended 31st March 2021, we have audited the internal financial controls over financial reporting of **CES LIMITED** ('the Holding company') and its subsidiary companies which are incorporated 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.





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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, 2021, 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. 21203605AAAAHJ8788

Place: Hyderabad
Date: 30-06-2021

CES LIMITED

Consolidated Balance Sheet as at 31st March, 2021

Particulars	Note No	Consolidated	Consolidated
		As on 31-03-2021	As on 31-03-2020
		(Rs.)	(Rs.)
ASSETS:			
1 Non-Current Assets:			
(a) Property, Plant and Equipment	1	426,031,381	450,941,021
(b) Capital Work-in-progress		3,371,315	2,537,457
(c) Goodwill		118,469,422	138,683,291
(d) Goodwill on Consolidation		65,548,978	65,548,978
(e) Financial Assets:			
(i) Other Financial Assets	2	61,580,139	40,121,553
(f) Deferred Tax Asset		3,251,735	504,034
2 Current Assets:			
(a) Financial Assets:			
(i) Trade Receivables	3	657,996,314	386,816,031
(ii) Cash and Cash Equivalents	4	753,902,430	250,954,021
(iii) Loans	5	164,473,754	339,296,244
(b) Other Current Assets	6	2,118,778	68,684,958
Total		2,256,744,245	1,744,087,588
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	7	364,000,000	364,000,000
(b) Other Equity	8	852,831,701	626,323,068
(c) Minority Interest		83,451,365	50,584,027
Liabilities			
2 Non-Current Liabilities			
(a) Financial Liabilities:			
(i) Borrowings	9	2,541,793	5,557,743
(b) Provisions	10	75,981,538	34,902,385
(c) Deferred Tax Liabilities (Net)	11	22,186,291	18,331,976
3 Current Liabilities			
(a) Financial Liabilities:			
(i) Trade Payables	12	93,240,356	78,194,111
(b) Other Current Liabilities	13	558,678,744	469,590,597
(c) Provisions	14	203,832,458	96,603,681
Total		2,256,744,245	1,744,087,588

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

K Gopala Krishna
Partner
M.No. 203605

Place : Hyderabad
Date : 30th June, 2021



For and on behalf of the Board
CES Limited

K Mohana Rao
Mohana Rao Kancharla
Director

Srinivas Kancherlapati
Srinivas Kancherlapati
Chief Financial Officer

Rama Krishna S
Rama Krishna S
Director

Surya Prakash M
Surya Prakash M
Company Secretary



CES LIMITED

Consolidated Statement of Profit and Loss for the Year ended 31st March, 2021

Particulars	Note No	Consolidated 31-03-2021 (Rs.)	Consolidated 31-03-2020 (Rs.)
I. Revenue from Operations	15	3,134,657,364	2,782,732,059
II. Other Income	16	160,712,124	12,938,973
III. Total Income (I + II)		3,295,369,488	2,795,671,031
IV. Expenses:			
Employee Benefits expense	17	2,008,170,454	1,735,597,584
Finance costs	18	2,484,930	3,874,514
Depreciation and amortization expense	1	65,926,969	82,647,240
Other Expenses	19	880,766,605	719,418,002
IV. Total Expenses		2,957,348,958	2,541,537,340
V. Profit before exceptional and extraordinary items and tax (III - IV)		338,020,530	254,133,692
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		338,020,530	254,133,692
VIII. Extraordinary Items		-	-
V. Profit/(Loss) before exceptional items and tax (III - IV)		338,020,530	254,133,692
VI. Exceptional Items		-	-
VII. Profit/(Loss) before tax (V-VI)		338,020,530	254,133,692
VIII. Tax expense:			
(i) Current tax	20	75,780,543	60,159,025
(iv) Deferred tax		5,703,796	(6,137,531)
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)		256,536,191	200,112,198
X. Other Comprehensive Income:			
A. Items that will be reclassified to Profit or Loss			
(i) Exchange (gain)/Loss on foreign currency transactions		259,805	(677,974)
(ii) Actuarial loss on defined benefit plans recognised in accordance with Ind AS 19.		(16,288,124)	(11,595,308)
Total Comprehensive Income for the period		240,507,872	187,838,916
XI. Attributable to			
Shareholders of the Company		211,603,851	168,576,981
Non-Controlling Interests		28,904,020	19,666,862
XII. Earnings per equity share (for continuing operation):			
(1) Basic		7.05	5.50
(2) Diluted		7.05	5.50

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

K Gopala Krishna
Partner
M.No. 203605

Place : Hyderabad
Date: 30th June, 2021



For and on behalf of the Board
CES Limited

K. Mohana Rao
Mohana Rao Kancharla
Director

Srinivas Kugherlapati
Chief Financial Officer

Rama Krishna S
Director

Surya Prakash M
Company Secretary



CES LIMITED

Consolidated Statement of Changes in Equity for the period ended 31st March 2021

Particulars	Reserves & Surplus				Other Comprehensive Income		Non Controlling Interest	Total Equity attributable to equity holders of the company	Total Equity
	Equity Share Capital	Retained Earnings	General Reserve	Capital Reserve	Translation Reserve	Other Items			
Balance as at 01-04-2019	364,000,000	302,940,364	45,688,367	87,000,000	28,023,902	(9,649,992)	58,935,500	818,002,641	876,938,141
Profit for the period	-	179,160,315	-	-	-	-	20,951,883	179,160,315	200,112,198
Remeasurement of Net defined benefit Liability/ Asset	-	-	-	-	-	(10,383,101)	(1,212,207)	(10,383,101)	(11,595,308)
Exchange gain/(Loss) on foreign currency transactions	-	-	-	-	-	(605,159)	(72,814)	(605,159)	(677,974)
Exchange differences on translation of foreign operations	-	-	-	-	(25,400,390)	-	-	(25,400,390)	(25,400,390)
Non Controlling interest acquired during the year	-	29,548,763	-	-	-	-	(13,887,932)	29,548,763	15,660,831
Non Controlling interest Paid for the year	-	-	-	-	-	-	(14,130,403)	-	(14,130,403)
Balance as at 31-03-2020	364,000,000	511,649,442	45,688,367	87,000,000	2,623,512	(20,638,252)	50,584,027	990,323,069	1,040,907,096
Profit for the period	-	227,632,170	-	-	-	-	28,904,020	227,632,170	256,536,190
Remeasurement of Net defined benefit Liability/ Asset	-	-	-	-	-	(16,288,124)	-	(16,288,124)	(16,288,124)
Exchange gain/(Loss) on foreign currency transactions	-	-	-	-	-	259,805	(29,999)	289,804	259,805
Exchange differences on translation of foreign operations	-	-	-	-	14,874,783	-	-	14,874,783	14,874,783
Non Controlling interest acquired during the year	-	-	-	-	-	-	-	-	-
Net Non Controlling interest received during the year	-	-	-	-	-	-	3,993,317	-	3,993,317
Balance as at 31-03-2021	364,000,000	739,281,612	45,688,367	87,000,000	17,498,295	(36,666,571)	83,451,365	1,216,831,701	1,300,283,066



K. Srinivas Reddy



CES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2021

Particulars	Year Ended 31-03-2021 (Rs.)	Year Ended 31-03-2020 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary items	338,020,530	254,133,692
Adjustments for:		
Interest	2,484,930	3,874,514
Depreciation	65,926,969	82,647,240
Other Comprehensive Income/(Expenses)	(16,028,319)	(12,273,282)
Operating Profit before working capital changes	390,404,110	328,382,163
Adjustments for:		
Trade and other receivables	(271,180,283)	(33,293,190)
Short Term Loans and Advances	174,822,490	(170,119,935)
Other Current Liabilities	89,088,146	(32,935,968)
Short Term provisions	107,228,777	(31,324,405)
Trade payables	15,046,246	11,834,357
Other Current assets	66,566,180	102,182,050
Cash generated from operations	571,975,667	174,725,072
Direct taxes	(75,780,543)	(60,159,025)
Cash flow before extraordinary items	496,195,123	114,566,047
Extraordinary items	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	496,195,123	114,566,047
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(21,637,318)	(79,106,192)
Proceeds from other financial assets	(21,804,058)	(2,349,530)
Proceeds/(Repayment) of Loan	(3,015,950)	(838,830)
Translation Adjustment	10,653,073	(853,827)
Proceeds in Minority Equity	3,963,318	(28,018,335)
Net Cash Used In Investing Activities	(31,840,935)	(111,166,714)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest paid	(2,484,930)	(3,874,513)
Long Term Liabilities	-	-
Long Term Provisions	41,079,153	10,756,930
Long Term Loans and Other Financial Assets	-	-
Net Cash Flow From Financing Activities	38,594,223	6,882,417
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	502,948,411	10,281,750
Cash and Cash equivalents (Opening Balance)	250,954,021	240,672,271
Cash and Cash equivalents (Closing Balance)	753,902,430	250,954,021

AS PER OUR REPORT OF EVEN DATE

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

K Gopala Krishna
Partner
M.No. 203605

Place : Hyderabad.
Date : 30th June,2021



For and on behalf of the Board
CES Limited

Mohana Rao Kancharla Rama Krishna S
Director Director

Srinivas Kuchalapati Surya Prakash M
Chief Financial Officer Company Secretary



NOTE NO. 1: PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS AS AT 31-03-2021



K. W. Henderson



CES LIMITED

Consolidated Notes to Financial Statements for the Year ended 31st March, 2021

NOTE NO. 2 : FINANCIAL ASSETS-NON CURRENT

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2021	As on 31-03-2020
		(Rs.)	(Rs.)
I	Other Financial Assets:		
	a) Security Deposit		
	- Secured, Considered Good	12,481,469	13,246,433
	b) Statutory dues Receivable	34,397,730	26,875,120
	c) Investments	14,700,940	
	Total Financial Assets-Non Current	61,580,139	40,121,553

NOTE NO. 3 : TRADE RECEIVABLES

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2021	As on 31-03-2020
		(Rs.)	(Rs.)
I	Unsecured, Considered Good	655,910,899	386,816,031
		655,910,899	386,816,031
	Doubt ful Debts	2,085,415	-
	Total Trade Receivables	657,996,314	386,816,031

NOTE NO. 4 : CASH AND CASH EQUIVALENTS

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2021	As on 31-03-2020
		(Rs.)	(Rs.)
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	682,762,746	203,695,425
	2) Bank deposits with more than 12 months maturity	-	-
	3) Bank deposits with less than 12 months maturity	71,014,059	47,048,000
	b) Cash on hand	125,625	210,596
	Total Cash and Cash Equivalents	753,902,430	250,954,021

NOTE NO. 5 : LOANS - CURRENT

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2021	As on 31-03-2020
		(Rs.)	(Rs.)
I	Unsecured, Considered Good		
	Loans and Advances to Employees	634,530	481,479
	Prepaid Expenses	45,644,909	21,035,195
	Advance for Expenses	-	52,646
	GST Input Credit	44,095,156	59,934,735
	Foreign Tax Credit	-	-
	Advance Tax and TDS Receivable	54,645,495	58,151,580
	Other Loans/Advances	19,453,664	199,640,609
	Total Loans and Advances	164,473,754	339,296,244

NOTE NO. 6 : OTHER CURRENT ASSETS

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2021	As on 31-03-2020
		(Rs.)	(Rs.)
I	Interest Accrued on Deposits	887,385	3,329,555
	Other Current Assets	1,231,393	65,355,403
	Total Other Current Assets	2,118,778	68,684,958



K. Mahesh Kumar



CES LIMITED

Consolidated Notes to Financial Statements for the year ended 31st March, 2021

NOTE NO. 7 : EQUITY SHARE CAPITAL

S.No.	Particulars	Consolidated	Consolidated
		As on 31-03-2021	As on 31-03-2020
		(Rs.)	(Rs.)
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)	365,000,000	365,000,000
		365,000,000	365,000,000
	(b) Issued		
	[3,64,00,000 Shares of 10/- each Current Year		-
	(3,64,00,000 Shares of 10/- each Previous Year)	364,000,000	364,000,000
	(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)	364,000,000	364,000,000
	Total Equity Share capital	364,000,000	364,000,000
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	36,400,000	36,400,000
	Issued during the year	-	-
	At the end	36,400,000	36,400,000
III	<u>Details of Shareholder holding more than 5% shares of the company:</u>	<u>% of Share Holding</u>	
	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 31-03-2021	As on 31-03-2020
		(Rs.)	(Rs.)
I	RESERVES AND SURPLUS		
	a) General Reserves		
	As at the commencement of the year	45,688,367	45,688,367
		45,688,367	45,688,367
	b) Capital Reserve (Sharewarrants forfeited)	87,000,000	87,000,000
	c) Revaluation Reserve	-	-
	d) Retained Earnings :		
	i) Opening Balance - Profit and Loss Account	491,011,189	293,290,372
	Add: Transfer from Profit & Loss Account	240,507,871	187,838,916
	Less: Transfer To Minority Interest	(28,874,021)	(19,666,862)
	Add: Transfer from Minority Interest	-	29,548,763
	Less: Transfer for Issue of Bonus Shares	-	-
		702,645,039	491,011,189
	Translation Adjustment	17,498,295	2,623,512
	Total Other Equity	852,831,701	626,323,068
	Minority Interest	83,451,365	50,584,027



K. S. Associates



NOTE NO. 9: BORROWINGS

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2021	As on 31-03-2020
		(Rs.)	(Rs.)
I	Term Loans:		
	a) Term Loans from Banks :		
	- Mortgage Loan from Indus Ind Bank	-	-
	- Mortgage Loan from ICICI Bank	-	-
	- Vehicle Loan from Bank of India	-	-
	b) Other Loans	2,541,793	5,557,742
	Total Borrowings	2,541,793	5,557,743

NOTE NO. 10: PROVISIONS

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2021	As on 31-03-2020
		(Rs.)	(Rs.)
I	a) Provisions for employee benefits		
	- Provision for Gratuity	51,698,206	34,902,385
	- Provision for Leave Encashment	24,283,332	-
	Total Provisions	75,981,538	34,902,385

NOTE NO. 11: DEFERRED TAX LIABILITY (NET)

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2021	As on 31-03-2020
		(Rs.)	(Rs.)
I	Opening Deferred tax Liability	28,375,420	27,199,345
	Add:		
	Deferred Tax Liability for the year	8,451,497	5,427,785
	Gross Deferred tax Liability	36,826,917	32,627,130
	Opening Deferred tax Asset	14,295,154	8,676,433
	Add: Deferred Tax Asset for the year	345,472	5,618,721
	Gross Deferred tax Asset	14,640,626	14,295,154
	Deferred Tax Liability/(Asset) - Net	22,186,291	18,331,976

NOTE NO. 12: TRADE PAYABLES

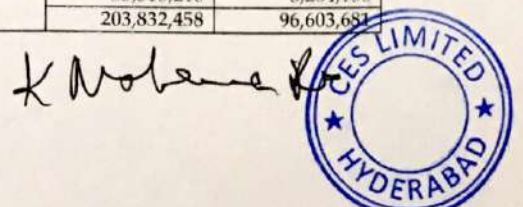
S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2021	As on 31-03-2020
		(Rs.)	(Rs.)
I	a) Trade Payables	93,240,356	78,194,111
	Total Trade Payables	93,240,356	78,194,111

NOTE NO. 13: OTHER CURRENT LIABILITIES

S.No.	Particulars	Consolidated	Consolidated
		As on 31-03-2021	As on 31-03-2020
		(Rs.)	(Rs.)
I	Current Maturities of Long Term Loans	-	-
II	Statutory Liabilities	13,046,109	8,969,254
III	Other Current Liabilities	292,308,959	455,482,528
IV	Other Payable	242,841,286	-
V	Advance received from Customers	10,482,389	5,138,816
	Total Other Current Liabilities	558,678,744	469,590,597

NOTE NO. 14: PROVISIONS-SHORT TERM

S.No.	Particulars	Consolidated	Consolidated
		As on 31-03-2021	As on 31-03-2020
		(Rs.)	(Rs.)
I	a) Provisions for employee benefits	109,952,699	11,994,618
	b) Others		
	Provision for Income Tax	46,555,139	45,737,443
	Consultancy Charges Payable	3,696,228	30,184,189
	Audit Fee Payable	678,754	423,250
	Provision for Gratuity-Short Term	2,490,540	-
	Provision for Leave Encashment- Short Term	4,940,888	-
	Other Provisions	35,518,210	8,264,180
	Total Provisions	203,832,458	96,603,681



CES LIMITED

Consolidated Notes to Financial Statements for the year ended 31st March, 2021

NOTE NO. 15 : REVENUE FROM OPERATIONS

S.No.	Particulars	Consolidated 31-03-2021	Consolidated 31-03-2020
		(Rs.)	(Rs.)
(I)	Revenue from operations		
	(a) Sale of Services		
	Domestic Sales	4,195,599	360,000
	Export Sales	3,130,461,765	2,782,372,059
	Total Revenue from Operations	3,134,657,364	2,782,732,059

NOTE NO. 16 : OTHER INCOME

S.No.	Particulars	Consolidated 31-03-2021	Consolidated 31-03-2020
		(Rs.)	(Rs.)
I	(a) Interest income	10,289,854	4,371,210
	(b) Rental Income	9,629,122	6,910,566
	(c) Other Income	27,598,995	-
	(d) Exchange Gain	19,706,307	1,657,196
	(e) Income from forgiven PPP Loans	93,487,846	-
	Total Other Income	160,712,124	12,938,973

NOTE NO. 17 : EMPLOYEE BENEFITS EXPENSE

S.No.	Particulars	Consolidated 31-03-2021	Consolidated 31-03-2020
		(Rs.)	(Rs.)
I	(a) Salaries & Wages	1,915,759,567	1,701,966,620
	(b) Contribution to Provident & Other Funds	88,310,377	15,720,712
	(c) Staff Welfare Expenses	4,100,510	17,910,253
	Total Employee Benefit Expenses	2,008,170,454	1,735,597,584

NOTE NO. 18 : FINANCE COSTS

S.No.	Particulars	Consolidated 31-03-2021	Consolidated 31-03-2020
		(Rs.)	(Rs.)
I	(a) Interest Expenses	-	-
	- Interest on Vehicle Loan	-	5,108
	- Interest on Term Loan	84,497	597,836
	- Other Finance Costs	2,400,433	3,271,570
	Total Finance Cost	2,484,930	3,874,514



K N Sharma Rs



NOTE NO. 19 : OTHER EXPENSES

S.No.	Particulars	Consolidated 31-03-2021	Consolidated 31-03-2020
		(Rs.)	(Rs.)
I	(a) Electricity Charges	6,335,421	19,471,863
	(b) Rent	15,267,729	21,388,987
	(c) Repairs to Buildings and Equipments	3,281,907	2,422,752
	(d) Insurance	13,547,258	11,623,352
	(e) Telephone, Postage and Others	9,910,741	8,764,842
	(f) Advertisement Expenses	65,704	51,677
	(g) Conveyance & Travelling Expenses	7,001,114	42,592,993
	(h) CSR Expenditure	3,613,664	2,010,000
	(i) Office Maintenance	15,058,193	17,338,004
	(j) Printing & Stationery Expenses/Subscriptions	2,619,774	6,839,076
	(k) Security Charges	2,564,028	4,244,103
	(l) Rates & Taxes (excluding Income Tax)	8,116,076	6,917,011
	(m) Computer Hire Charges	18,183,733	15,758,210
	(n) Professional and Consultancy fee	80,184,005	79,801,296
	(o) Job Portal Expenses	10,235,782	11,352,024
	(p) Outside Consultancy Fees	441,073,083	303,551,417
	(q) Bank Charges	1,337,874	300,683
	(r) Dues and Subscriptions	1,900,728	2,151,227
	(s) Taxes of earlier Years	-	82,403
	(t) Software Supplies	3,521,226	4,836,109
	(u) Other operating expenses	36,884,091	140,623,496
	(v) Misc Expenses	969,418	-
	(w) Exchange gain/loss	1,411,070	(6,646,018)
	(x) Payment to Auditors:	-	-
	(i) As Auditor	405,750	402,000
	(xi) Business Promotion Expenses	1,042,880	796,539
	(xii) Sales & Marketing	161,682,800	22,743,958
	(xiii) Management fee to Owners	34,552,555	-
	Total Other Expenses	880,766,605	719,418,002

NOTE NO. 20 : TAX EXPENSE

S.No.	Particulars	Consolidated 31-03-2021	Consolidated 31-03-2020
		(Rs.)	(Rs.)
a	Income Tax-Current Year	62,572,589	60,159,025
b	Income Tax-Previous Years	13,207,955	-
	Total Tax Expense	75,780,543	60,159,025



SIGNIFICANT ACCOUNTING POLICIES

21. Company overview

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

22. Significant accounting policies

22.1 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.

22.1a Principles of Consolidation:

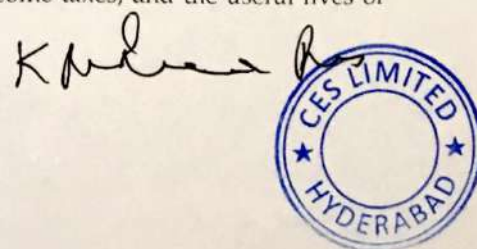
The consolidated financial statements have been prepared on the following basis:

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.

22.2 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



fixed assets 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.

22.3 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.

22.4 Fixed Assets

Tangible assets

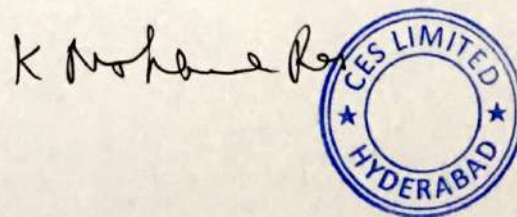
Tangible assets are stated at actual cost less accumulated depreciation. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes, finance charges and other incidental expenses incurred during the construction/installation stage.

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 fixed assets (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 fixed assets 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 fixed assets exceeds its recoverable amount.

22.5 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.

22.6 Taxes on Income

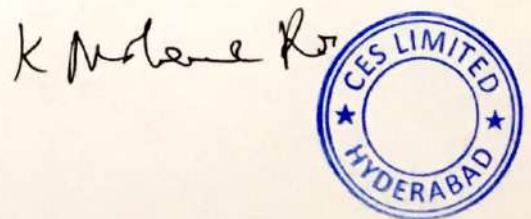
Tax expense for the year comprises of current tax and deferred tax.

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.

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.

22.7 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.



22.8 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.

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.

22.9 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.

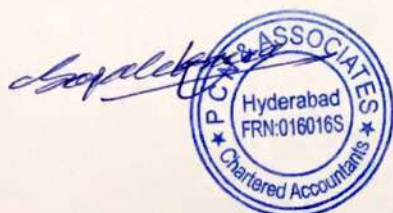
22.10 Segment Accounting Policies

(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.



22.11 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 2021:

23. Related Party Transactions:

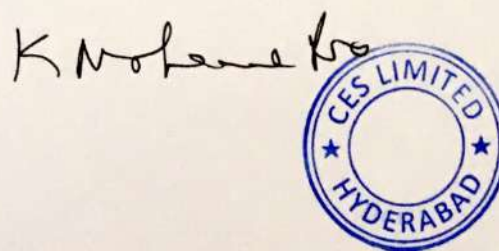
During the current financial year, the Company has entered into some transactions, which can be deemed as related party transactions. All these matters have been approved by the Board and the Govt. of India, wherever necessary.

Related Party Disclosures:

S.No	Name of the Related Party	Nature of Relationship
1	CES Information Technologies Private Limited (CES IT)	Subsidiary Company
2	CES Global IT Solutions Private Limited	Subsidiary Company
3	CES Technology Services Private Limited	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. Surya Prakash Mungelkar	Company Secretary & Compliance Officer

Related Party Transactions with Key Managerial Personnel:

SL.No	Name of the Related Party	Nature of Relation	Nature of Transaction	2020-21 (In Lakhs)	2019-20 (In Lakhs)
1	Mr.Mohana Rao Kancharla	Director	Remuneration	18.00	18.26
2	Mr.Srinivas Kucherlapati	CFO	Remuneration	18.88	-
3	Mr.Surya Prakash M	Company Secretary	Remuneration	13.88	9.00



24. There are no dues to SSI units outstanding for more than 45 days.
25. 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:

(Rs. In Lacs)

Profit and Loss Statements for the year ended 31 st March, 2021	IT Services	IT Enabled Services	Total
Revenues	8,213.61	23,132.96	31,346.57
Direct Expenses	5,261.93	14,819.78	20,081.70
Gross Income	2,951.69	8,313.18	11,264.87
Less: Un-allocated Expenses			9,491.79
Add: Interest Income & Other Income			1,607.12
Net Profit Before Taxes			3,380.21
Income Taxes			814.84
Net Profit After Taxes			2,565.36



K Mohana



GEOGRAPHICAL SEGMENTS:

Profit and Loss Statements for the year ended 31 st March, 2021.	USA	DOMESTIC	Total
Revenues	31,304.62	41.96	31,346.57
Direct Expenses	20,054.83	26.88	20,081.70
Gross Income	11,249.79	15.08	11,264.87
Less: Un-allocated Expenses			9,491.79
Add: Interest Income			1,607.12
Net Profit Before Taxes			3,380.21
Income Taxes			814.84
Net Profit After Taxes			2,565.36

25 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 After Tax	
	As % of Consolidated Net Assets	Amount (Rs. Lacs)	As % of Consolidated Profit	Amount (Rs. Lacs)
CES Limited	53.78%	7,180.36	6.83%	164.26
Indian Subsidiaries:				
CES Information Technologies Pvt. Ltd.	14.80%	1,976.50	21.46%	516.14
CES Global IT Solutions Pvt. Ltd.	6.51%	868.77	10.48%	252.11
CES Technology Services Pvt. Ltd.	1.51%	201.86	0.16%	3.83
Foreign Subsidiaries:				
CES USA Inc.	23.40%	3124.24	61.07%	1468.74
TOTAL		13,351.73		2,405.08
Adjustments arising out of consolidation		(348.90)		-
Minority Interest				
i) Indian Subsidiaries:				
CES Information Technologies Pvt. Ltd.		(592.65)		(154.84)
CES Global IT Solutions Pvt. Ltd.		-		-
CES Technology Services Pvt. Ltd.		-		-
ii) Foreign Subsidiary:				
CES USA Inc.		(241.86)		(134.20)
Consolidated Net Assets/Profit after Tax		12,168.32		2,116.04



K. Mahesh Babu



26 Calculation of EPS as per the Ind AS - 33 for the year ending 31 March 2021.

	<u>In Lakhs</u>
Profit available to the equity shareholders	2,565.36
Weighted average number of shares outstanding	364.00
Basic Earnings per Share	7.05
Diluted Earnings per Share	7.05

27 The figures have been rounded off to the nearest rupee.

SIGNATURE TO NOTES 1 To 27

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


K. Gopala Krishna
Partner
Membership No. 203605




Place: Hyderabad
Date: 30 June, 2021

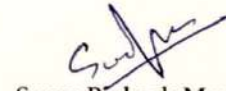
for and on behalf of the Board of Directors of
CES LIMITED

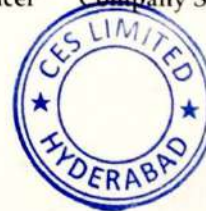

Mohana Rao Kancharla
Director


Rama Krishna S
Director




Srinivas Kuchherlapati
Chief Financial Officer


Surya Prakash Mungelkar
Company Secretary





NOTICE

Notice is hereby given that 11th Annual General Meeting of the Members of **M/s CES Technology Services Private Limited** will be held on Thursday, 30th September 2021 at 12:30 P.M. at the registered office of the Company at South Wing-B Division, Fourth floor , Tower -A , Ramky Selenium Building Nanakramguda, Gachibowli, Hyderabad -500032 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2021 and the Statement of Profit & Loss Account for the year ended 31st March 2021 together with the report of the Board of Directors and Auditors thereon.
2. To appoint Shri Mohana Kancharla Rao (00004288) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. RATIFICATION OF APPOINTMENT OF AUDITORS TO HOLD OFFICE TILL THIS AGM

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

“RESOLVED THAT pursuant to the provisions of Section 139(8), and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Audit and Auditors) Rules, 2014 as may be applicable including any statutory modification(s) or enactment thereof, for the time being in force, the appointment of P Murali & Co, Chartered Accountants (ICAI Firm Registration No. 007257S) be and is hereby ratified to hold office from September 3, 2021 until the conclusion of this 11th annual general meeting at such remuneration plus applicable taxes and out of pocket expenses as may be mutually agreed between the Board of Directors of the Company and the said Auditors to fill the casual vacancy in place of M/s. Budabulla & Associates , Chartered Accountants (ICAI Firm Registration No. 014307S).

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.”






4. APPOINTMENT OF STATUTORY AUDITORS



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

RESOLVED THAT pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), M/s P Murali & Co, Chartered Accountants (ICAI Firm Registration No. 007257S), be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy in place of M/s. Budabulla & Associates, Chartered Accountants (ICAI Firm Registration No. 014307S).

RESOLVED FURTHER THAT M/s P Murali & Co, Chartered Accountants (ICAI Firm Registration No. 007257S), be and are hereby appointed as Statutory Auditors of the Company from this Annual General Meeting and that they shall hold the office of the Statutory Auditors of the Company for a period of five years and shall conduct the Statutory Audit for the financial year 2021-22 to 2025-26 on such remuneration as may be agreed by Board Of Directors of the Company from time to time."

For and on behalf of the Board of Directors of
CES Technology Services Private Limited

Date : 03-09-2021
Place : Hyderabad


Mohana Kancharla Rao
Director
DIN-00004288






NOTES:

1. *A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10% (ten percent) of the total share capital of the Company. However, a member holding more than 10% (ten percent) of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member.*
2. *A proxy form is sent herewith. In case a member wants to appoint a proxy, duly completed and stamped proxy form, must reach the Registered Office of the Company not later than 48 hours before the time for holding the aforesaid meeting*
3. *Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting*
4. *Members/Proxies attending the meeting are requested to bring the Attendance Slip (duly completed) to the Meeting.*

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EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

The following Explanatory Statement sets out all the material facts relating to the Special Business under Item No.3 & 4 of the accompanying Notice dated 3rd September 2021

ITEM NO.3 & 4

M/s. Budabulla & Associates, Chartered Accountants (ICAI Firm Registration No. 014307S) were appointed as Statutory Auditor of the Company for the period of five years at the annual general meeting of the Company held on 30-09-2019 to audit the books of accounts from FY 2019-20 till 2023-24. However, due to preoccupation the said auditors resigned w.e.f. 01-09-2021.

Board of Directors had appointed P Murali & Co, Chartered Accountants (ICAI Firm Registration No. 007257S) as Statutory Auditors w.e.f. 03-09-2021 to fill the casual vacancy and proposed to appoint them for a period of five years to conduct the audit for the financial year 2021-22 to 2025-26. Member's approval is required for these two items pursuant to Section 139 of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no.3 & 4 of the accompanying Notice.

For and on behalf of the Board of Directors of
CES Technology Services Private Limited

Date : 03-09-2021

Place : Hyderabad


Mohana Kancharla Rao

Director
DIN-00004288






CES TECHNOLOGY SERVICES PRIVATE LIMITED

Reg office: South Wing -B
Division, 4th Floor Ramky
Selenium Building,
Nanakramguda , Gachibowli ,
Hyderabad - 500032.

Road Map to the venue of the meeting.



K Mohan Rao



Phone: +91 (40) 4040-7070 | Fax No: +91 (40) 4010-2456
CIN:U72200TG2010PTC067406



CES TECHNOLOGY SERVICES PRIVATE LIMITED

Reg office: South Wing -B
Division, 4th Floor Ramky
Selenium Building,
Nanakramguda, Gachibowli,
Hyderabad - 500032.

ATTENDANCE SLIP

Request to fill the attendance slip and hand over at the entrance of the meeting Joint shareholders may obtain additional Slip at the venue of the meeting.

11th Annual General Meeting of the Members of M/s CES Technology Services Private Limited on Thursday, 30th September 2021 at 12:30 P.M. at the registered office of the Company at South Wing-B Division, Fourth floor, Tower -A, Ramky Selenium Building Nanakramguda, Gachibowli, Hyderabad -500032

Regd. Folio No. _____
No. of shares held _____

I/We certify that I/We am/are a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my/our presence at the Annual General Meeting of the Company on Thursday, 30th September 2021 at 12:30 P.M. at the registered office of the Company at South Wing-B Division, Fourth floor, Tower -A, Ramky Selenium Building Nanakramguda, Gachibowli, Hyderabad -500032

Member's/Proxy's name in Block Letters _____

Member's/Proxy's Signature _____

Note: Please fill this attendance slip and hand it over at the entrance of the hall.

K. Lakshmi Reddy



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CIN:U72200TG2010PTC067406

**FORM NO MGT-11 PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014)

Name of the Members	
Registered Address :	
E mail Id :	
Folio No:	

I / We, being the member(s) of shares of the above named company, hereby appoint:

(1) Name..... Address.....
Email ID Signature.....
or failing him/her

(2) Name..... Address.....

Email ID Signature.....

Or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Thursday, 30th September 2021 at 12:30 P.M. at the registered office of the Company at South Wing-B Division, Fourth floor, Tower -A, Ramky Selenium Building Nanakramguda, Gachibowli, Hyderabad -500032 any adjournment thereof in respect of such resolutions as are indicated below:

i. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2021 and the Statement of Profit & Loss Account for the year ended 31st March 2021 together with the report of the Board of Directors and Auditors thereon.

ii. To appoint Shri Mohana Kancharla Rao (00004288) who retires by rotation and being eligible, offers himself for re-appointment.

iii. Ratification of appointment of Auditors to hold office till this AGM.

iv. Appointment of Statutory Auditors

Signed this day of _____
Signature of the Shareholder
Signature of Proxy holder(s)

K Mohana Rao

Note: This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

**DIRECTOR'S REPORT**

To
The Members,
CES Technology Services Private Limited
South Wing- B Division, Fourth Floor, Tower- A Ramky Selenium Building,
Nanakramguda, Gachibowli, Hyderabad – 500032
Telangana, India

Your directors have pleasure in presenting the 11th Annual Report together with the Audited Balance Sheet as on 31st March 2021 and the Statement of Profit & Loss Account for the period ended 31st March 2021 together with the Reports of the Statutory Auditors.

1. SUMMARY OF FINANCIAL STATEMENT**FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY :-**

Particulars	(In Rupees)	
	FY 2020-21	FY 2019-20
Revenue from Operations (net)	1,456,037	21,664,451
Other Income	272,058	271,679
Total Income	1,728,094	21,936,129
Total expenses	1,072,481	21,385,648
Profit or Loss before Exceptional and Extraordinary items and Tax	655,614	550,481
Less: Exceptional Items	-	-
Profit or Loss before Tax	655,614	550,481
Less: Current Tax	264,061	212,623
Deferred Tax	8,345	-102,696
Profit or Loss After Tax	383,208	440,554

2. FINANCIAL PERFORMANCE

During the financial year ended as on 31st March 2021, the Company recorded a total income of Rs. 1,728,094/- (Previous financial year Rs. 21,936,129/-) and had Net profit after taxes of Rs. Rs. 383,208/- (Previous year, the Net profit was Rs. Rs. 440,554/-).



3. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENT

As per the requirement of Section 134 (3) (I) of the Companies Act, 2013, We hereby intimate that your Company has no significant material changes and commitments affecting financial position of the company between 31st March 2021 and the date of Board's Report.

4. CHANGE BUSINESS IF ANY

As per the requirements Rule 8 (ii) of Companies (Accounts) Rules, 2014, we want to declare that, there is no significant change business of the company during the last financial year.

5. DEPOSITS

As per the requirements Section 73, 74 & 76 of the Companies Act, 2013 and Rule 8 (5) (v) of Companies (Accounts) Rules, 2014, the Company has not accepted any deposit and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

6. COVID-19 UPDATE

The novel corona virus outbreak has significantly affected the industry across the globe. We at CES Global It Solutions Private Limited, have been working on a safety-first principle, ensuring that our employees and business partners are safe, and taking all necessary precautions to control the spread of Corona virus. We continue to closely monitor the situation and take appropriate action, as necessary to scale up operations, in due compliance with the applicable regulations.

From a risk management perspective, we are monitoring and acting against the outbreak in line with our internal crisis management plan, which is overseen by the Management.

7. DIVIDEND

With a view to redeploy the profits for current/future business of the Company, the Board of Directors has not recommended the Dividend for the Financial Year 2020-21.

8. AMOUNTS TRANSFERRED TO RESERVES

No amount is proposed to be carried to General reserves and an amount of Rs. 383,208/- (including other income) is retained as surplus in the Statement of Profit and Loss of Standalone Financials.

**9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information on Conservation of Energy, technology absorption, foreign exchange earnings and outgo required to be given pursuant to Section 134 (3) (m) of the Companies Act, 2013, read with the Rule 8 of Companies (Accounts) Rules, 2014, relevant information pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are given under:

1) Conservation of Energy:

The consumption of energy is not huge and hence, no significant measures taken for conservation, no additional investment for the same and no significant impact on the consumptions of energy.

Research and Development (R&D):

- a) Specific areas in which R&D has been carried out by the company: NIL
- b) Benefits derived as a result of the above R&D: NIL
- c) Plans of action: NIL
- d) Expenditure on R&D: NIL

2) Technology Absorption, Adaptation and Innovation:

The company is equipped with all the modern technologies and is constantly upgrading the same to meet the challenges.

3) Foreign Exchange Earnings and Outgo:

Particulars	2020-21	2019-20
Expenditure	-	-
Earnings	Rs. 1,456,037/-	Rs. 18,954,170/-

10. RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROL

As per the requirements of Section 134 (3) (n) and Rule 8(5) (viii) Companies (Accounts) Rules, 2014 of the Companies Act, 2013, The Company had an adequate internal control system commensurate with the size of the company and the nature of its business. Company has a robust Business Risk Management framework to identify, evaluate business risks and opportunities

**11. SHARE CAPITAL AND CLASSIFICATION OF COMPANY**

The paid-up Equity Share Capital of the Company as on 31st March, 2021 is Rs. 1,00,000/-. During the year, the Company has neither issued shares with differential voting rights nor granted stock option or sweat equity.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL OF THE COMPANY

As per the requirements Rule 8 (5) (iii) of Companies (Accounts) Rules, 2014, we want to inform you that, the following are the Directors of the Company as on 31st March 2021:

Sl. No.	Name of the Director	Designation
1.	Tummala Muralikrishna	Independent Director
2.	Aruna Krishna Sabbineni	Non-executive Director
3.	Mohana Kancharla Rao	Non-executive Director

The provisions regarding appointment of whole time KMP as per section 203 is not applicable to the Company.

Change in Directors

Shri Appa Rao Kancherla Passed away on 27.11.2020.

13. WEB LINK OF ANNUAL RETURN, IF ANY:

The Company doesn't have any website. Therefore, no need to of publication of Annual Return.

14. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

As per the requirements Section 134 (3) (b) of the Companies Act, 2013, we hereby report that during the year under review the Board of Directors met for a Board meeting on the following dates

Sl. No	Date of meeting
a.	Friday, 26 June, 2020
b.	Wednesday, 19 August, 2020
c.	Wednesday, 26 August, 2020
d.	Thursday, 3 December, 2020
e.	Monday, 7 December, 2020
f.	Monday, 29 March, 2021



Number of Board Meetings attended by each Director during the financial year 2020-21

Sl. No.	Name of the Director	Designation	No. of Board meetings attended
1.	Tummala Muralikrishna	Independent Director	2
2.	Aruna Krishna Sabbineni	Non-executive Director	6
3.	Mohana Kancharla Rao	Non-executive Director	6

15. RECEIPT OF ANY COMMISSION BY MD/WTD FROM COMPANY OR RECEIPT OF COMMISSION/REMUNERATION FROM ITS HOLDING OR SUBSIDIARY.

The Company does not have any MD/WTD and hence, this clause is not applicable.

16. DIRECTORS' RESPONSIBILITY STATEMENT

In pursuant to Section 134 (5) of the Companies Act, 2013 ("the Act"), the Directors hereby confirm:

- (i) that in the preparation of the annual accounts for the year ended 31st March 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March 2021 and of the profit and loss of the company for that period;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors have prepared the Annual Accounts for the period ended 31st March 2021 on a going concern basis.
- (v) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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CIN:U72200TG2010PTC067406

K Mohana Rao





17. STATEMENT ON DECLARATION GIVEN BY THE INDEPENDENT DIRECTORS

The Company has taken declaration of Independence from Shri Tummala Murali Krishna, the Independent Director of the Company.

18. SUBSIDIARIES/ASSOCIATES/JOINT VENTURES

The Company has no subsidiaries, joint venture or associate companies.

19. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

As per the requirements of Rule 8 (5) (vii) Companies (Accounts) Rules, 2014, there is no significant and material orders passed by the Regulators or Courts or Tribunals impacting the 'going concern' status of the company and the company's operations in the future.

20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

As per the requirements of Section 134 (3) (g) of the Companies Act, 2013; Company has made no investments. Company has also not given any loan or guarantee to any person or body corporate nor invested in anybody corporate during the Financial Year 2020-21 pursuant to Section 186 of the Companies Act, 2013.

21. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on Corporate Social Responsibility.

22. RELATED PARTY TRANSACTIONS

Particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 is enclosed as Annexure-1

23. PARTICULARS OF EMPLOYEES

Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration Managerial Personnel) Rule, 2014 and Companies Act, 2013, there are no employees who are in receipt of remuneration exceeding Rs. 1,02,00,000/- or more per annum or Rs. 8,50,000/- or more per month or where employed for a part of the year during the financial year under review.



24. AUDITORS

Pursuant to provision of Section 139 of the Companies Act, 2013, (the Act), M/s. Budabulla & Associates, Chartered Accountants were appointed as the Statutory Auditors of the Company for a term of 5 (five) consecutive years, at the Annual General Meeting held on 30th September, 2019, but due to pre occupation the said auditors have resigned from their position vide resignation letter dated 1-Sep-2021

The Board of Directors in their Meeting held on 3rd September, 2021 have proposed to appoint M/s P Murali & Co, Chartered Accountants (ICAI Firm Registration No. 007257S) as the Statutory Auditors of the Company, for conducting Audit of the Accounts of the Company for a term of 5 (Five) years from the FY 2021-22 to FY 2025-26 subject to ratification of the members at ensuing Annual general Meeting.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

The Statutory Audit Report for the financial year 2020-21 is annexed herewith to this Report

25. SECRETARIAL STANDARDS

Company complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

26. DISCLOSURE PERTAINING TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

As required under the Harassment Act, the following is a summary of sexual harassment during the period under review:

S. No.	Particulars	Remarks
1.	Number of sexual harassment complaints received in a year.	Nil
2.	Number of complaints disposed off during the year.	Nil
3.	Number of cases pending for more than 90 days.	Nil
4.	Number of awareness programs or workshops against sexual harassment conducted during the year.	Nil
5.	Nature of action taken by the employer or district officer with respect to the cases.	Nil



K. Mohan Reddy



CES TECHNOLOGY SERVICES PRIVATE LIMITED

Reg office: South Wing -B
Division, 4th Floor Ramky
Selenium Building,
Nanakramguda, Gachibowli,
Hyderabad - 500032.

27. ACKNOWLEDGMENT

The Board of Directors of the Company acknowledges and thanks the relevant Government Agencies for their constructive guidance, support and for their continued encouragement and patronage. The Board would also like to thank the Company's shareholders, customers, suppliers for the support and the confidence which they have reposed in the management.

For and on behalf of the Board of Directors of
CES Technology Services Private Limited

Date : 03-09-2021

Place : Hyderabad

Aruna Krishna Sabbineni
Aruna Krishna Sabbineni

Director

DIN- 06997005

Mohana Kancharla Rao
Mohana Kancharla Rao

Director

DIN- 00004288

Phone: +91 (40) 4040-7070 | Fax No: +91 (40) 4010-2456
CIN:U72200TG2010PTC067406



Mohana Kancharla Rao

**FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto:

1. Details of contracts or arrangements or transactions not at Arm's length basis: Not applicable

Sr. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	
2	Nature of contracts/arrangements/transaction	
3	Duration of the contracts/arrangements/transaction	
4	Salient terms of the contracts or arrangements or transaction including the value, if any	
5	Justification for entering into such contracts or arrangements or transactions'	
6	Date of approval by the Board	
7	Amount paid as advances, if any	
8	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

K Mohan Rao



CES TECHNOLOGY SERVICES PRIVATE LIMITED

Reg office: South Wing -B
Division, 4th Floor Ramky
Selenium Building,
Nanakramguda, Gachibowli,
Hyderabad - 500032.

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Particulars	Details	Details	
1	Name (s) of the related party & nature of relationship	CES Limited Holding Company	CES Limited LLC – Foreign branch of holding Company	CES Information Technologies Private Limited Subsidiary of holding Company
2	Nature of contracts/arrangements/ transaction	Receivable/ (Payables)	Services rendered	Services rendered
3	Duration of the contracts/ arrangements / transaction	Not applicable	Not applicable	Not applicable
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Receivable/ (Payables) (Rs.29,559)	Services rendered Rs. 1,456,037/-	Services rendered Rs. 1,456,037/-
5	Date of approval by the Board	26-06-2020	26-06-2020	26-06-2020
6	Amount paid as advances, if any	Nil	Nil	Nil

For and on behalf of the Board of Directors of
CES Technology Services Private Limited

Date : 03-09-2021

Place : Hyderabad

Aruna Krishna S *Mohana Kancharla Rao*
Aruna Krishna Sabbineni Mohana Kancharla Rao
Director Director
DIN- 06997005 DIN- 00004288

K. Mohana Rao
K. Mohana Rao
CES TECHNOLOGY SERVICES PRIVATE LIMITED

Phone: +91 (40) 4040-7070 | Fax No: +91 (40) 4010-2456
CIN:U72200TG2010PTC067406



BUDABULLA & ASSOCIATES
CHARTERED ACCOUNTANTS

Plot No. 312, Nitya Sowbhagya Nilayam,
Khailash Hills Colony,
Usha Mullapudi Hospital Road,
Mahadevapuram, Gajularamaram,
Quthbullapur (M), Ranga Reddy Dist - 500 055
Ph: 040 - 40205699, Mobile No. : 8498871133
E-mail Id: cabudabulla@gmail.com
budabulla@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of
CES Technology Services Private Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of CES Technology Services Private Limited ('the Company'), which comprise the balance sheet, the statement of profit and loss (including Other Comprehensive Income), the Statement of Changes in Equity and the statement of cash flows for the year then ended March 31, 2021, 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 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 the 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 state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity 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 specified under section 143(10) of the Act (SAs). 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 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.

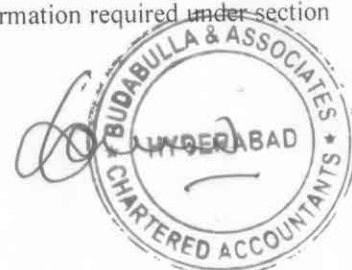
Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Since the company is an unlisted company, reporting of key audit matters as per SA 701, are not applicable.

Other Information - Board of Directors' Report

The Company's Board of Directors is responsible for the preparation and presentation of its report (herein after called as "Board Report") which comprises various information required under section



CES Technology Services Private Limited
Independent Auditor's Report (Continued)

134(3) of the Companies Act 2013 but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement in this Board Report; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order issued under section 143(11) of the Act.

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 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 are appropriate in the circumstances. Under section 143(3)(b) of the



CES Technology Services Private Limited
Independent Auditor's Report (Continued)

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.

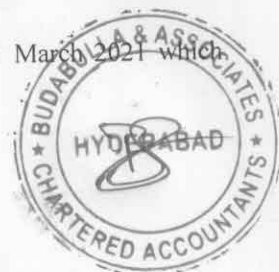
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Company as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 A". 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 any pending litigations as at 31 March 2021 which



CES Technology Services Private Limited
Independent Auditor's Report (Continued)

would impact its financial position in its financial statements.

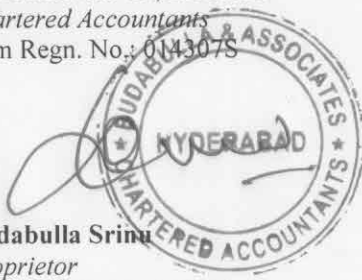
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

for **Budabulla & Associates**

Chartered Accountants

Firm Regn. No: 014307S



Budabulla Srinu

Proprietor

Membership No: 220498

Place: Hyderabad

Date: 28 June 2021

UDIN : 21220498AAAADV7313

“Annexure A” to the Independent Auditor’s Report

Report on the Internal Financial Controls 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 Technology Services Private Limited (“the Company”) as of 31 March 2021 in conjunction with our audit of the 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 Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 judgement, 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 Company’s internal financial controls system over financial reporting.



CES Technology Services Private Limited

"Annexure A" to the Independent Auditor's Report (continued)

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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations 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.

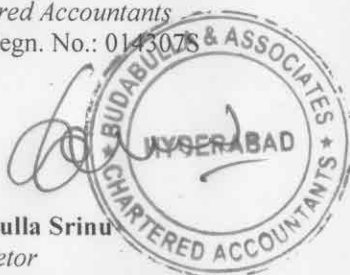
Opinion

In our opinion, the 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 31 March 2021, 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 **Budabulla & Associates**

Chartered Accountants

Firm Regn. No.: 0143078



Budabulla Srinu

Proprietor

Membership No: 220498

Place: Hyderabad

Date: 28 June 2021

“Annexure B” to the Independent Auditor’s Report on the financial statements

The Annexure B referred to in our report of even date to the Members of CES Technology Services Private Limited (“the Company”) on the financial statements for the year ended 31 March 2021, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. In accordance with the aforesaid programme, Management has verified certain assets during the year. No material discrepancies were noticed on such verification.
(c) The Company does not hold any immovable properties in its name. Therefore, the provisions of Clause i(c) of the said order is not applicable to the Company.
- ii. The Company is a service company, primarily rendering software services. Accordingly, it does not hold any physical inventories. Thus, this clause is not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause (iii) (a), (b) and (c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore, the provisions of Clause (iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. The Central Government has not specified the maintenance of cost records under sub-section (1) of section 148 of the Act, for any of the goods sold by the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account records, the Company has been generally regular in depositing undisputed statutory dues including provident fund, and other material statutory with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31 March 2021 for a period of more than six months from the date on when they become payable.
As explained to us, the Company did not have any dues on account of Employees’ State Insurance and Cess.
(b) According to the information and explanations given to us, there are no dues of income tax outstanding on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any bank.
- ix. In our opinion and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments).



CES Technology Services Private Limited

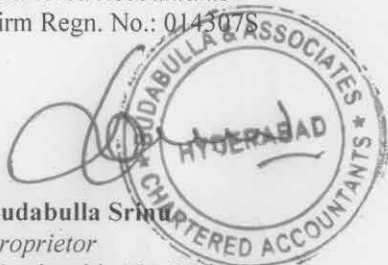
Annexure to the Independent Auditor's Report (continued)

- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has not paid/ provided managerial remuneration. Accordance paragraph 3 (xi) of the order is not applicable.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the provisions of Clause (xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of Clause (xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him as contemplated under Section 192 of the Act. Accordingly, the provisions of Clause (xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause (xvi) of the Order are not applicable to the Company.

for Budabulla& Associates

Chartered Accountants

Firm Regn. No.: 0143078



Budabulla Srinu

Proprietor

Membership No: 220498

Place: Hyderabad

Date: 28 June 2021

Notes to financial statements (continued)

Operating cycle

The Company has ascertained its operating cycle as 12 months i.e. the time between the acquisition of assets for rendering services and their realization in cash or cash equivalents.

d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.

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 on the time proportion method using the underlying interest rates.

e) Fixed assets, depreciation and amortization

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.

f) Depreciation

In respect of fixed assets (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.

K. N. Sharma



Notes to financial statements (continued)

The cost of and the accumulated depreciation for fixed assets 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 fixed assets exceeds its recoverable amount.

g) Foreign currency transactions

Foreign exchange transactions are recorded at the rates of exchange prevailing on the date of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated into Indian Rupees at the exchange rate on the balance sheet date and resultant exchange differences are recognised in the statement of profit and loss. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

g) Investments

Investments are classified as current investments, if the Management does not intend to hold the investments for more than one year. Investments other than current investments are classified as long-term investments.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments and the differential is recognised in the statement of profit and loss.

Profit or loss on sale of investments is determined on the basis of weighted average carrying amount of investments disposed off.

h) Income tax

Income tax expense comprises current tax and deferred tax.

Current tax

The current charge for the income tax is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income, which originate during the period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised. Deferred tax assets are reviewed as at each

K. Mohan Rao



Notes to financial statements (continued)

balance sheet date and written-down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

The break-up of the major components of the deferred tax assets and liabilities as at the balance sheet date has been arrived at after setting-off deferred tax assets and liabilities where the Company has a legally enforceable right and an intention to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

i) Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit/(loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

j) Provisions 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. Where there is a possibility of an 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 recognised 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.

k) Contingent assets


Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

l) Impairment of fixed assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

K. K. K.



Notes to financial statements (continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amount of assets in the CGU on a pro-rata basis.

If at the balance sheet date there is a indication that the previously assessed impairment loss no longer exists or has decreased, the assets or CGU's recoverable amount is estimated. The impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such a reversal is recognised in the statement of profit and loss.

m) Employee share based payments

As prescribed by the Guidance Note on "Accounting for Employee Share-based Payments" issued by Institute of Chartered Accountants of India and related interpretations, the Company applies the intrinsic value based method of accounting to account for stock options issued by the Company, to the employees of the Company. The compensation cost of such instruments is recognised as an expense over the period in which the related services are received. Accordingly, intrinsic value of the stock options is amortised on a straight-line basis over the vesting period of the stock options.

n) Employee benefits

The Company contributes to the recognised provident fund which is a defined contribution scheme. The contributions are charged to the statement of profit and loss in the year when the contributions to the fund are due.

Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Defined benefits plan

The gratuity scheme is administered through the Life Insurance Corporation of India ("LIC"). The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Actuarial gains and losses arising during the year are immediately recognised in the statement of profit and loss.

K. Mohan



Notes to financial statements (continued)

Compensated absences

Compensated absences, which is a long-term employee benefit, is accrued based on an actuarial valuation done as per projected unit credit method at the balance sheet date, carried out by an independent actuary.

o) Leases

For operating leases, lease payments (excluding cost for services and maintenance) are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term. The lease term is the non-cancellable period for which the lessee has agreed to take on lease the asset together with any further periods for which the lessee has the option to continue the lease of the asset, with or without further payment, which option at the inception of the lease it is reasonably certain that the lessee will exercise.

p) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balance in bank in current accounts, deposit accounts and in margin money deposits. The Company considers all highly liquid investments with an original maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

K. N. Mohan



CES TECHNOLOGY SERVICES PRIVATE LIMITED

BALANCE SHEET AS AT 31st MARCH 2021

Particulars		Note No.	As on 31.03.2021	As on 31.03.2020
	ASSETS:		(Rs.)	(Rs.)
1	Non-Current Assets:			
	(a) Property, Plant and Equipment	2.1	58,511	65,798
	(b) Other Intangible Assets		122,246	186,874
	(c) Deferred Tax Asset (Net)		-	6,834
2	Current Assets:			
	(a) Financial Assets:			
	(i) Trade Receivables	2.2	319,637	4,518,812
	(ii) Cash and Cash Equivalents	2.3	18,748,978	1,351,870
	(b) Other Current Assets	2.4	944,339	15,803,383
	Total		20,193,711	21,933,571
	EQUITY AND LIABILITIES:			
1	'Equity			
	'(a) Equity Share Capital	2.5	100,000.00	100,000
	'(b) Other Equity	2.6	20,086,261.29	19,703,053
	Liabilities			
2	Non-Current Liabilities:			
	(a) Deferred Tax Liabilities (Net)		1,511	-
3	Current Liabilities			
	(a) Financial Liabilities:			
	(i) Trade Payables	2.7	-	662,550
	(b) Other Current Liabilities	2.8	(156,311)	1,337,748
	(c) Provisions	2.9	162,250	130,220
	Total		20,193,711	21,933,571

Significant Accounting Policies & the accompanying Notes are an integral part of the financial statements.

As per our report of even date

For Budabulla & Associates
Chartered Accountants

Firm Regn. No.: 013307S

Budabulla Srinu
Proprietor
M.No. 220498

Place: Hyderabad
Date:

For and on behalf of Board
For CES Technology Services Private Limited



Krishna Kumar
DIRECTOR

Aruna Krishna
DIRECTOR

CES TECHNOLOGY SERVICES PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2021

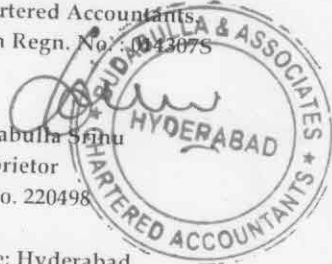
Particulars		Note No.	Year Ended 31.03.2021	Year Ended 31.03.2020
I	Revenue From Operations		(Rs.)	(Rs.)
II	Other Income		1,456,037	21,664,451
	III. Total Income (I + II)	2.10.	272,058	271,679
			1,728,094	21,936,129
IV	Expenses:			
	Employee Benefits Expense	2.11	-	16,181,134
	Finance costs		-	-
	Depreciation and amortization expense	2.1	71,915	198,500
	Other Expenses	2.12	1,000,566	5,006,014
	IV Total Expenses		1,072,481	21,385,648
V	Profit/(Loss) before exceptional items and tax (III - IV)		655,614	550,481
VI	Exceptional Items		-	-
VII	Profit/(Loss) before tax (V-VI)		655,614	550,481
VIII	Tax expense:			
	(1) Current tax			
	(2) Deferred tax	2.13	264,061	212,623
IX	Profit/(Loss) for the period from continuing operations (VII-VIII)		8,345	(102,696)
X	Other Comprehensive Income.		383,208	440,554
	A. Items that will not be reclassified to Profit or Loss			
	(i) Exchange (gain)/Loss on foreign currency transactions		-	-
	(ii) Actuarial loss on defined benefit plans recognised in accordance with Ind AS 19.		-	-
	Total Comprehensive Income for the period		383,208	440,554
XI	Earnings per equity share (for continuing operation):			
	(1) Basic		38.32	44.06
	(2) Diluted		38.32	44.06

Significant Accounting Policies & the accompanying Notes
are an integral part of the financial statements.
As per our report of even date

For Budabulla & Associates
Chartered Accountants
Firm Regn. No. 043075

Budabulla Srinu
Proprietor
M.No. 220498

Place: Hyderabad
Date :



For and on behalf of Board
For CES Technology Services Private Limited.

[Signature]
DIRECTOR

Aruna Krishna
DIRECTOR

CES TECHNOLOGY SERVICES PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2021

PARTICULARS	Year Ended 31-03-2021 (Rs.)	Year Ended 31-03-2020 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary items	655,614	550,481
Adjustments for:		
Depreciation	71,915	198,500
Operating Profit before working capital changes	727,529	748,981
Adjustments for:		
Trade and other receivables	4,199,175	15,590,082
Other Current Liabilities	(1,494,059)	(1,613,984)
Short Term provisions	32,030	(396,204)
Trade payables	(662,550)	(2,432,583)
Other Current assets	14,859,044	(10,964,909)
Cash generated from operations	17,661,169	931,383
Direct taxes	(264,061)	(212,623)
Cash flow before extraordinary items	17,397,108	718,760
Extraordinary items	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	17,397,108	718,760
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	-	-
Net Cash Used In Investing Activities	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Long Term Loans	-	-
Net Cash Flow From Financing Activities	-	-
NET INCREASE\ (DECREASE) IN CASH AND CASH EQUIVALENTS	17,397,108	718,760
Cash and Cash equivalents (Opening Balance)	1,351,870	633,110
Cash and Cash equivalents (Closing Balance)	18,748,978	1,351,870

Significant Accounting Policies &
the accompanying Notes are an Integral Part of the Financial Statements
As per our report of even date

For Budabulla & Associates
Chartered Accountants
Firm Regn. No. 014307S

Budabulla Srinu
Proprietor
M.No. 220498

Place: Hyderabad
Date :

For and on behalf of the Board
CES Technology Services Private Limited



Director

Aruna Krishna
Director

CES TECHNOLOGY SERVICES PRIVATE LIMITED

NOTE NO.21: PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS AS AT 31.03.2021

Sl. No.	Particulars	Gross Block			Depreciation/Amortization			Net Block as on 31.03.2021	Net Block as on 31.03.2020
		As on 01.04.2020	Additions during the year	As on 31.03.2021	Dep. As on 01.04.2020	Dep. During the year	Total Depreciation		
1	PROPERTY, PLANT AND EQUIPMENT: Computers	988,263	-	988,263	922,465	7,287	929,752	58,511	65,798
1	INTANGIBLE ASSETS Softwares	1,272,774	-	1,272,774	1,085,900	64,628	1,150,528	122,246	186,874
	TOTAL	2,261,037	-	2,261,037	2,008,365	71,915	2,080,280	180,757	252,672
	Previous Year	2,261,037	-	2,261,037	1,809,865	198,500	2,008,365	252,672	451,172

K. N. S. S.



CES TECHNOLOGY SERVICES PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2021

NOTE 2.2 - TRADE RECEIVABLES

Particulars	As on 31.03.2021 (Rs.)	As on 31.03.2020 (Rs.)
Trade Receivable:		
Unsecured, considered good	-	4,518,812
Doubtful debts	319,637	
Total	319,637	4,518,812

NOTE 2.3 - CASH AND CASH EQUIVALENTS

Particulars	As on 31.03.2021 (Rs.)	As on 31.03.2020 (Rs.)
I. Cash on Hand	52,773	52,773
II. Balance with Banks	18,696,206	1,299,097
Total	18,748,978	1,351,870

NOTE 2.4 - OTHER CURRENT ASSETS

Particulars	As on 31.03.2021 (Rs.)	As on 31.03.2020 (Rs.)
Other Current Assets		
Advance Tax	360,000	129,967
Advance Staff	-	111,970
GST Receivable	284,992	1,769,677
Reimbursable Expenses	-	732,321
TDS	22,452	69,784
Prepaid Expenses	-	63,804
Interest Accrued on FD	276,895	-
Other Current Assets	-	12,925,862
Total	944,339	15,803,383

K. Ashwini Rao



CES TECHNOLOGY SERVICES PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2021

NOTE NO. 2.5 : EQUITY SHARE CAPITAL

Particulars	As on 31.03.2021 (Rs.)	As on 31.03.2020 (Rs.)
A) Equity Share Capital:		
Authorised		
(10,000 Shares of Rs. 10/- each Current Year)		
(10,000 Shares of Rs. 10/- each Previous Year)	1,00,000	1,00,000
	1,00,000	1,00,000
Issued:		
(10,000 Shares of Rs. 10/- each Current Year)		
(10,000 Shares of Rs. 10/- each Previous Year)	1,00,000	1,00,000
	1,00,000	1,00,000
Subscribed & Fully Paid Up:		
(10,000 Shares of Rs. 10/- each Current Year)		
(10,000 Shares of Rs. 10/- each Previous Year)	1,00,000	1,00,000
Total	1,00,000	1,00,000
B) A Reconciliation of no. of shares outstanding at the beginning and at the end of the reporting period:		
Equity shares of Rs. 10 each fully paid up		
At the beginning of the year	10,000	10,000
Issued during the year	-	-
At the end of the year	10,000	10,000
C) Details of shareholding more than 5% shares of the company		
Equity shares of Rs.10/- each held by		
CES Limited - No. of shares (C.Y) 9,999, (P.Y) 9,999	99.99%	99.99%

NOTE 2.6 - OTHER EQUITY

Particulars	As on 31.03.2021 (Rs.)	As on 31.03.2020 (Rs.)
a. Surplus		
Opening balance	19,703,053	19,262,499
Add: Net Profit transferred from Profit & Loss Account.	383,208	440,554
Less: Previous Year Income Tax		
Closing Balance	20,086,261	19,703,053
Total	20,086,261	19,703,053

K. Mohan



NOTE 2.7 - Trade Payables

Particulars	As on 31.03.2021 (Rs.)	As on 31.03.2020 (Rs.)
Trade Payables	-	662,550
Total	-	662,550

NOTE 2.8 - OTHER CURRENT LIABILITIES

Particulars	As on 31.03.2021 (Rs.)	As on 31.03.2020 (Rs.)
I. Statutory Liabilities		
(a) TDS Payable	(221,870)	13,797
(b) ESI Payable	-	1,863
(c) EPF Payable	-	14,436
(d) Professional Tax Payable	-	1,400
II. Other liabilities		
Privilege Leave Payable	-	525,405
Consultancy Charges Payable	-	266,790
Other Expenses	65,559	514,057
Total	(156,311)	1,337,748

NOTE 2.9 - PROVISIONS

Particulars	As on 31.03.2021 (Rs.)	As on 31.03.2020 (Rs.)
Provision for Taxes	162,250	130,220
Other Provisions	-	-
Total	162,250	130,220

K Mohan Rao



CES TECHNOLOGY SERVICES PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2021

NOTE NO.2.10 - OTHER INCOME

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Interest Income	299,347	58,043
Exchange gain	(27,289)	213,636
Total	272,058	271,679

SCHDULE 2.11- EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Salaries, Wages and Bonus	-	15,934,472
Contribution to Provident fund & Other funds	-	194,812
Staff Welfare	-	51,850
Total	-	16,181,134

SCHDULE 2.12 - OTHER EXPENSES

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Payment to Auditors:		
As Auditor	39,750	36,000
Dues & Subscriptions	-	189,369
Bank Charges	3,656	49,862
Insurance Expenses	80,373	120,487
Office Maintenance	1,626	37,133
Office Rent	-	1,700,000
Computer Hire Charges	-	339,600
Consultancy and Professional charges	35,400	2,437,925
Rates and Taxes	49,215	55,000
Travelling Expenses	350,030	34,038
Miscellaneous expenses	440,515	6,601
Total	1,000,566	5,006,014

SCHDULE 2.13 - CURRENT TAX

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Income Tax		
i) Current Year	162,250	130,220
ii) Previous Years	101,811	82,403
Total	264,061	212,623

K Mohan Kumar



CES Technology Services Private Limited

Notes on accounts

(All amount in Indian rupees, except share data)

2.14. There are no capital commitments and contingent liabilities as at 31 March 2021.

2.15. Earnings per share

The computation of earnings per share is set out below:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<i>Earnings (Rs.)</i>		
Profit/(Loss) for the year attributable to equity share holders	383,208	440,554
<i>Shares</i>		
Weighted average number of equity shares outstanding during the year	10,000	10,000
Earnings per share of par value Rs.10 – Basic and diluted	38.32	44.06

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The Company does not have any potentially dilutive shares.

2.16 Expenditure in foreign currency:

	Year Ended 31.03.2021(Rs)	Year Ended 31.03.2020(Rs)
Foreign exchange inflow	1,456,037/-	18,954,170/-

2.17 Deferred taxes

	As at 31 March 2021	As at 31 March 2020
Deferred tax assets/ (Liability) arising on account of:		
- Fixed assets	(1,511)	6,834
Deferred tax asset/(liability)	(1,511)	6,834

2.18 Related party disclosures

List of related parties

i. Key management personnel

(a) Mr. Mohana Rao Kancharla	- Director
(b) Mr. Tummala Murali Krishna	- Director
(c) Mr. Aruna Krishna Sabbineni	- Director
(d) Mr. Appa Rao Kancharla	- Director

ii. CES Limited – Holding Company

iii. CES Limited LLC- Foreign Branch of Holding Company



K. Mohana Rao

CES Technology Services Private Limited

Notes on accounts (continued)

(All amount in Indian rupees, except share data)

- iv. CES Information Technologies (IT) Pvt Ltd- Subsidiary of Holding Company and Common Directors

2.19 Related Party Transactions:

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.

S.No	Name of the Related Party	Nature of Relation	Nature of Transaction	2020-21 (Rs.)	2019-20 (Rs.)
1	CES Limited	Holding Company	Receivables/(Payable)	(29,559)	12,925,862
2	CES Limited LLC	Foreign Branch of Holding Company	Services Rendered	1,456,037	20,481,085
3	CES Limited	Holding Company	Rent	-	1,700,000
4	CES IT Pvt Ltd	Subsidiary of Holding Company	Services Rendered	1,456,037	20,481,085

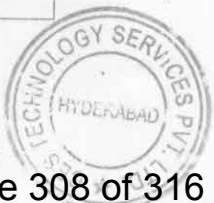
2.20 Auditor's Remuneration:

Particulars	For the Year ended 31.03.2021 (Rs.)	For the Year ended 31.03.2020 (Rs.)
Audit Fees	36,000/-	36,000/-
TOTAL	36,000/-	36,000/-

2.21 Payable to Micro, Small and Medium Enterprises

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
The amount of interest paid by the company along with the amounts of the payment made to the supplier beyond the appointed day during the year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act.	Nil	Nil

K. N. S. R.



CES Technology Services Private Limited

Notes on accounts (continued)

(All amount in Indian rupees, except share data)

The amount of interest accrued and remaining unpaid at the end of the year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise.	Nil	Nil

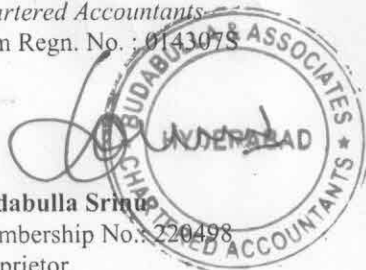
The list of undertakings covered under "Micro, Small and Medium Enterprises Development Act, 2006" ("MSMED") was determined by the Company on the basis of information available with the Company.

2.22 The Company has prepared these financial statements as per the format prescribed by Schedule III to the Companies Act, 2013 ('the schedule') issued by Ministry of Corporate Affairs. Previous year's figures have been recast/ restated to conform to the classification required by the Schedule III.

For **Budabulla & Associates**

Chartered Accountants

Firm Regn. No. : 0143078



Budabulla Srinu

Membership No.: 220498

Proprietor.

for **CES Technology Services Private Limited**

K.Mohan Rao

Director



Director

Place: Hyderabad

Date: 28th June, 2021.



CMMI Level 5 Company

CES Limited

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

Date: 28-05-2022

To
The Corporate Relations Department
BSE Limited
Phiroz Jeejeebhoy Towers,
25th Floor,
Dalal Street,
Mumbai – 400001

Dear Sir/Madam,

Sub: Payment details towards processing fees.

With reference to the above subject, kindly take note of the below payment details made to SEBI and BSE Limited towards processing fees for scheme of arrangement.

1. Payment made to Securities Exchange Board of India (SEBI)

Processing fee towards Scheme of arrangement amounting to Rs. 3,64,000/- (0.1% of the paid up capital – Rs. 36,40,00,000 was paid on 26-May-22 vide RTGS reference number ICICR22022052600004388

2. Payment made to BSE Limited

Processing fee towards scheme of arrangement amounting to Rs. 432,000/- [Rs. 4,00,000 + 18% GST – 40,000(TDS)] was paid on 27-May-2022 from the Bank Account of Mr. Suraj Kumar Garg, Company Secretary vide reference number – 221475937502.

I, Suraj Kumar Garg, Company Secretary of CES Limited hereby confirm that the payment was made by me on behalf of CES Limited towards processing fees for scheme of arrangement.

Kindly take note of the same and oblige us.

Suraj Kumar Garg
Company Secretary & Compliance Officer

1. Clarification as to what will be listing status of the Resulting/Transferee Company/ies.

The Resulting Company does not seek the listing of its shares. Further the Scheme of Arrangement contemplates the delisting of the shares of the listed Demerged Company.

2. Details of Assets and Liabilities of the Demerged division that are being transferred.

Details of Assets and Liabilities of the Demerged Division that are being transferred are enclosed as Annexure-XIII-1.

3. Confirmation from the Managing Director/ Company Secretary, that:
 - a) There will be no change in Share Capital of the resulting/transferee company till the listing of the equity shares of the company on BSE Limited.
 - b) The shares allotted by the resulting company pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange (this para shall also be included in the draft scheme of arrangement).

Not applicable as the Resulting Company does not seek the listing of its shares.

4. Confirmation by the Managing Director/ Company Secretary of the resulting/transferee company on the letter head of resulting company that:
 - a) Equity shares issued by the company pursuant to the scheme of amalgamation/ arrangement shall be listed on the BSE Limited, subject to SEBI granting relaxation from applicability under Rule 19(2) (b) of the Securities Contract (Regulation) Rules, 1957.
 - b) The company shall comply with all the provisions contained in SEBI Mater circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/00000000665 dated November 23, 2021.
 - c) The company shall also fulfill the Exchange's criteria for listing and shall also comply with Rules, Byelaws, and Regulations of the Exchange and other applicable statutory requirements.

K Mohan Rao



Not applicable as the Resulting Company does not seek the listing of its shares.

5. Percentage of Net Worth of the company, that is being transferred in the form of demerged undertaking and percentage wise contribution of the Demerged division to the total turnover and income of the company in the last two years as per the following format:

(Rs. in crores)

	Financial Year	Net worth	% to total	Turnover	% to total	Profit after Tax	% to total
Demerged division (ITES Division)	2020-21	47.2	65.74%	83.188	65.58%	1.90	65.74%
	2019-20	56.29	80.23%	90.972	80.23%	7.59	80.23%
Other divisions	2020-21	24.6	34.26%	43.657	34.42%	0.99	34.26%
	2019-20	13.87	19.77%	22.414	19.77%	1.87	19.77%
Total	2020-21	71.8	100.00%	126.845	100.00%	2.89	100.00%
	2019-20	70.16	100.00%	113.386	100.00%	9.46	100.00%

K Mohan Rao



Annexure-XIII-1.

Details of assets and liabilities of the Demerged Business as on the appointed date

Liabilities		Assets	
Particulars	Amount	Particulars	Amount
		Non-Current Liabilities	
Non-Current Liabilities		Property, Plant & Equipment	1,514,652
Provisions	38,704,967	Investments	69,779,798
Deferred Tax Liabilities	15,215,816	Other Financial Assets	4,640,919
Current Liabilities		Current Assets	
Trade Payables	20,622,231	Trade Receivables	260,539,515
Other Current Liabilities	26,008,823	Cash & Cash Equivalents	97,698,091
Provisions	91,688,337	Loans	20,623,804
		Other Current Assets	206,581
Total	192,240,174		455,003,360

For CES LIMITED.

K Mohana Rao
 Mohana Rao Kancharla
 Wholetime Director
 DIN: 00004288

Date: 16-05-2022
 Place: Hyderabad

K Mohana Rao




CMMI Level 5 Company

CES Limited

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

To
The of Corporate Relations Department
BSE Limited
Phiroz Jeejeebhoy Towers, 25th Floor,
Dalal Street Mumbai - 400001

Dear Sir/Madam,

Sub: REPORT ON UNPAID DUES

Sr. No.	Particulars	Details of dues/fine	Amount	Reason for non payment
1	Pending Dues of SEBI	-	Nil	-
2	Pending Dues of Stock Exchanges	-	Nil	-
3	Pending Dues of Depositories	-	Nil	-

For **CES LIMITED**.

K Mohana Rao

Mohana Rao Kancharla
Wholetime Director
DIN: 00004288



Date: 16-05-2022

Place: Hyderabad



CMMI Level 5 Company

CES Limited

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

To,
The of Corporate Relations Department
BSE Limited
Phiroz Jeejeebhoy Towers, 25th Floor,
Dalal Street Mumbai – 400001

Sub: Undertaking

Ref: Requirement letter w.r.t application seeking NOC under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

We have not availed any financial assistance from lending scheduled commercial banks/ financial institutions/ debenture trustees. Hence, obtaining No objection certificate (NOC) from lending scheduled commercial banks/ financial institutions/ debenture trustees, is not applicable to us in terms of Regulation 37(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **CES LIMITED.**

K Mohan Rao

Mohana Rao Kancharla
Wholetime Director
DIN: 00004288



Date: 16-05-2022

Place: Hyderabad

Phone: +91 (40) 4040-7070 | Fax No: +91 (40) 4010-2456
CIN: L55100TG1985PLC045963



CMMI Level 5 Company

CES Limited

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

Contact details of Designation person

Name of the Company: CES Limited

Reg office: 7th Floor, Tower A, Ramky Selenium, Nanakramguda, Gachibowli,
Hyderabad – 500032.

Name & Designation of the Contact Person:

Contact details - 1

Mohana Rao Kancharla, Wholetime Director

Telephone Nos.: +91 40 4242 1122, 9885044400

Email ID: mohan.kancharla@cesltd.com

Contact details – 2

Suraj Kumar Garg, Company Secretary

Telephone Nos.: +91 40 4242 1122, 8093235720

Email ID: surajkumar.garg@cesltd.com

For **CES LIMITED.**



Mohana Rao Kancharla
Wholetime Director
DIN: 00004288



Date: 16-05-2022

Place: Hyderabad

Phone: +91 (40) 4040-7070 | Fax No: +91 (40) 4010-2456
CIN: L55100TG1985PLC045963