



**CES LIMITED**

CIN: L55100TG1985PLC045963

***ANNUAL REPORT***

***2022 – 2023***



## BOARD OF DIRECTORS

Mr. Murali Krishna Tummala (1889806)	Chairman and Independent Director
Mr. Duruvasan Ramachandra (00223052)	Independent Director
Mr. Mohana Rao Kancharla (00004288)	Whole-time Director
Mr. Rama Krishna Sabbineni (01825682)	Alternate Director of Mr. Venkateswara Rao
Mr. Venkateswara Rao Davarapalli (00028498)	Director
Mr. Sai Krishna Kancharla (07775575)	Director
Mrs. Aruna Krishna Sabbineni (06997005)	Director - Women

## Corporate Identity Number (CIN)

L55100TG1985PLC045963

## KEY MANAGERIAL PERSONNEL

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

## BANKERS

ICICI Bank  
Bank of India  
IndusInd Bank

## AUDITORS

M/s. P. Murali & Co  
Chartered Accountants  
#6-3-655/2/3, Somajiguda,  
Hyderabad-500082,  
Telangana, India

## INTERNAL AUDITOR

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

## SECRETARIAL AUDITOR

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

## REGISTERED OFFICE

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

## SHARE TRANSFER AGENTS

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

## LISTING AT

Bombay Stock Exchange Limited,  
Mumbai

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## NOTICE

**NOTICE** is hereby given that the 38<sup>th</sup> Annual General Meeting of CES Limited will be held on Friday, 29<sup>th</sup> day of September 2023, 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, 2023 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 31<sup>st</sup> March, 2023 togetherwith the reports of Statutory Auditors thereon.

**2. To re- appoint Mr. Venkateswara Rao Davarapalli (DIN- 00028498) who retires by rotation and being eligible, offers himself for re-appointment.**

To consider reappointment of Mr. Venkateswara Rao Davarapalli (00028498), who retires by rotation and being eligible, offers himself for re-appointment as Director and in this regard, pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Venkateswara Rao Davarapalli (00028498), 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."

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

**PLACE:** Hyderabad

**DATE:** 04/09/2023

Suraj Kumar Garg  
Company Secretary

### **IMPORTANT NOTES:**

1. Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

#### **A) General instructions for accessing and participating in the 38<sup>th</sup> AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting**

2. . Pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 2/2022 and 10/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, May 5, 2022 and December 28, 2022, respectively, issued by the Ministry of Corporate Affairs ('MCA') and Securities and Exchange Board of India ('SEBI') Circular Nos. SEBI/HO/CFD/CMD1/ CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2022/62 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated May 12, 2020, May 13, 2022 and January 5, 2023, respectively (collectively referred to as 'Circulars'), companies are permitted to hold the AGM through VC/ OAVM, without the physical presence of the members at a common venue. Accordingly, the 38th AGM of the Company will be held through VC/ OAVM in compliance with the provisions of the Act and Rules made thereunder, the SEBI Listing Regulations read with the aforesaid Circulars. The deemed venue for the 38th AGM shall be the Registered Office of the Company, i.e. 7th Floor, Tower-A, Ramky Selenium, Nanakramguda, Gachibowli, Hyderabad - 500 032
3. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.

4. 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 2022-2023 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 2022-2023 will also be available on the Company's website - [www.cesltd.com](http://www.cesltd.com) under the investor section for download.

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

5. The Register of Members and Share Transfer Books of the Company shall remain closed from 23<sup>rd</sup> September 2023 (Saturday) to 29<sup>th</sup> September 2023 (Friday). (Both days inclusive). The Book closure date for the purpose of AGM is 22<sup>nd</sup> September, 2023
6. Company has appointed NSDL to provide facility for voting through remote e-Voting, for participation in the 38<sup>th</sup> AGM through VC/OAVM Facility and e-Voting during 38<sup>th</sup> AGM.
7. 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.
8. 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.

9. Corporate members intending to attend/vote at AGM through VC by their respective authorized representative(s) pursuant to section 113 of the Companies Act, 2013 to are requested to send their authorizations/ resolutions/ power of attorney to Mr. Suraj Kumar Garg (surajkumar.garg@cesltd.com) a duly certified copy of the same or upload it on the e-voting portal authorizing their representatives to attend and vote on their behalf at the Annual General Meeting of the Company.
10. The Board of Directors has appointed CS Sarada Putcha ACS No. 21717 & CP N. 8735, as a Scrutinizer to scrutinize the remote e-voting process and voting process at AGM in a fair and transparent manner and she has communicated her willingness to be appointed.
11. The scrutinizer shall, immediately after the conclusion of the e- voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e- voting and make, not later than 48 hours from conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, and hand it over to Chairman or Director or Key Managerial Personnel as authorized by the Board of the Company, who shall countersign the same.
12. 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](http://www.cesltd.com) and on [www.evoting.nsdl.co.in](http://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.
13. Electronic Voting through remote mode as enclosed to this notice

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

**PLACE:** Hyderabad

**DATE:** 04/09/2023

Suraj Kumar Garg  
Company Secretary

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

Name	Venkateswara Rao Davarapalli
Date of Birth	05/08/1964
Date of first Appointment on the Board	29/07/2005
Qualification	Post graduate
Directorship held in other Companies	Ces Information Systems Private Limited Ces Information Technologies Private Limited
Membership/Chairmanships of Committees across other public Companies	Nil
Brief Profile covering experience, achievements etc.	<p>He has wide experience in management of business.</p> <p>Under Venkat's leadership and oversight, CES grew from scratch into a global organization of 1500+ people servicing 100+ clients across the globe. With his wide experience, Venkat mentors future CES leaders and fosters a culture of trust. Always passionate about meaningful changes, he encourages talent to transform business problems into solutions with innovative ideas. Providing the best customer and employee experience is the key to business growth is what he believes in and practices.</p>
Relationship with other Directors	Nil
Shares held in the Company	88,38,200 shares

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

The remote e-voting period begins on Tuesday 26th September, 2023 (09:00 A.M) and ends on Thursday, 28th September, 2023 (5:00 P.M). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, 22<sup>nd</sup> September, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, 22<sup>nd</sup> September, 2023.

### 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"><li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ 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 “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li><li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li></ol>

	<ol style="list-style-type: none"> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a 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 <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> </ol>

	<p>and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>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 &amp; voting during the meeting.</p>

**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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**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 :

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

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to

- open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto: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 Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [sharadacs@gmail.com](mailto:sharadacs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) . Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
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](http://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](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [surajkumar.garg@cesltd.com](mailto:surajkumar.garg@cesltd.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [surajkumar.garg@cesltd.com](mailto:surajkumar.garg@cesltd.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto: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" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [surajkumar.garg@cesltd.com](mailto:surajkumar.garg@cesltd.com) The same will be replied by the company suitably.

**DIRECTORS' REPORT**

To  
The Members of  
M/s. CES LIMITED

The Directors have pleasure in presenting the 38th Annual Report of the Company together with the Audited Accounts for the year ended on 31st March 2023 (01.04.2022 to 31.03.2023).

**FINANCIAL RESULTS**

(Rs. In Lacs)

	<b>Consolidated</b>		<b>Standalone</b>	
	<b>2022-23</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2021-22</b>
Total Revenue	42,645.23	39,345.07	20,371.26	16,665.17
Depreciation	441.56	543.35	260.41	295.06
Profit Before Taxation	2,852.03	4,711.41	1,281.04	2,025.79
Provision for Taxation	900.60	1,153.78	386.08	529.19
Profit after Taxation	1,951.43	3,557.63	894.96	1,496.60
Total Comprehensive Income	2,460.89	3,038.83	1,340.56	1,015.16

**BUSINESS PERFORMANCE OF THE COMPANY**

**Standalone:** Our revenue for financial year 2022-23 is Rs. 20,371.26 Lacs and our profit after tax (PAT) Rs. 894.96 Lacs .

**Consolidated:** Our revenue for financial year 2022-23 is Rs. 43,268.26 Lacs and our consolidated profit after tax (PAT) is Rs. 2,460.89 Lacs.

**COMMITTEES OF THE BOARD****AUDIT****COMMITTEE**

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

## NOMINATION & REMUNERATION COMMITTEE

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

## STAKEHOLDER RELATIONSHIP COMMITTEE

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

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

**DURING THE FINANCIAL YEAR 2022-2023, EIGHT 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 2022-23, Eight meetings of the Board of Directors of the Company were held on the following dates: -

- Friday, April 08, 2022
- Monday, May 16, 2022
- Monday, May 30, 2022
- Saturday, August 13, 2022
- Monday, September 05, 2022
- Monday, November 14, 2022
- Friday, January 20, 2023
- Tuesday, February 14, 2023

**FINANCIALS OF SUBSIDIARY COMPANY**

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

**ANNUAL RETURN**

The annual return of the company as on March 31, 2023, in terms of the provisions of Section 134(3)(a) of the Act, is available on the company's website: [www.cesltd.com](http://www.cesltd.com)

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) That in the preparation of the annual accounts/financial statements for the financial year ended 31<sup>st</sup> March 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) That the accounting policies as mentioned in the financial statements were selected and applied consistently and reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period

- (c) That proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) That the annual accounts were prepared on a going concern basis;
- (e) That proper internal financial controls were in place and that such internal financial controls are adequate and were operating effectively; and
- (f) That proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively

#### **STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS -149(6)**

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

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT (SECTION 186)**

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

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

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

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

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

#### **NO DIVIDENDS DECLARED FOR FINANCIAL YEAR 2021-2022:**

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

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

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

### (a) Conservation of Energy:

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

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

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

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

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

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

### (c) Foreign Exchange earnings and outgo:

(Rs. In Lacs)

Particulars	31.03.2023	31.03.2022
Foreign Exchange Earnings	19679.72	16422.13
Foreign Exchange Outgo :	NIL	NIL
Foreign Travelling	NIL	NIL

## AUDITORS

### Statutory / Financial Audit

M/s. P Murali & Co, Chartered Accountants (ICAI Firm Registration No. 007257S) were appointed as the statutory auditors for a period of 5 years i.e. from the conclusion of the 37th AGM till the conclusion of the 42nd AGM in the previous AGM held on 30th September, 2022 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. The Report of the Secretarial Audit Report is annexed herewith as **Annexure- II**.

The Secretarial Audit Report for the material subsidiaries CES Information Technologies Private Limited and CES Global IT Private Limited 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.

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

As per the requirement of Section 134 (3) (l) 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 2023 and the date of Board's Report.

### **STATUS OF THE SCHEME OF ARRANGEMENT**

During the financial year under review, the Company presented a proposed Scheme of Arrangement between CES Limited, CES Technology Services Private Limited, their shareholders, and creditors. The scheme was pursuant to the provisions of Section 230 to 232 of the Companies Act 2013, along with the Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other relevant laws. However, due to certain reasons, the application submitted by the Company did not receive approval from BSE Limited. Consequently, the case was closed.

**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**

There was no change in the composition of Directors and KMP during the period under review.

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

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

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

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

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

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

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

**WHISTLE BLOWER POLICY & VIGIL MECHANISM**

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

**DETAILS OF DEPOSITS ACCEPTED**

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

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

**A. Remuneration of Directors and Key Managerial Personnel**

(Rs. Lakhs)

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

**B. Remuneration to other Directors:**

(Rs. Lakhs.)

<b>S.No.</b>	<b>Particulars of Remuneration</b>	<b>Name of the Director</b>		<b>Total Amount</b>
		<b>Duruvasan Ramachandra</b>	<b>Murali Krishna Tummala</b>	
1	Fee for attending board / committee meetings	1.20	1.15	2.35
2	Commission	Nil	Nil	Nil
3	Others, please specify	Nil	Nil	Nil
<b>Total</b>				

### 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. Suraj Kumar Garg Company Secretary	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21.80	9.18	30.98
	Total	<b>21.80</b>	<b>9.18</b>	<b>30.98</b>

### 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, 2023, the Independent Directors evaluated the performance of Non-Independent Directors and performance of the Board as a whole. They also evaluated the performance of the Chairman taking into account the views of Executive Director and Non-Executive Directors. The NRC reviewed the performance of the Board, its Committees and of the Directors. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors and NRC, at which the feedback received from the Directors on the performance of the Board and its Committees was also discussed.

### Policy on Directors' Appointment, Remuneration & Other details

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

### Particulars of Contracts / Arrangements with Related Parties

During the financial year 2022-2023, your Company has entered into transactions with related parties as defined under Regulation 23 of the SEBI (LODR) Regulations, 2015 and section 2(76) of the Companies Act, 2013 read with Companies (Specifications of definitions Details) Rules, 2014, all of which were in ordinary course of Business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013, read with the Rules issued thereunder and the Listing Regulations. Further, there were no transactions with related parties which qualify as material transactions under the Listing Regulations.

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

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

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

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

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

Name	2022-23	2021-22	Variation
Wholetime Director	18.81	18.81	Nil
Chief Financial Officer	21.80	19.73	10.49
Company Secretary	9.18	13.88	-33.86%

Note: The company secretary was changed in the financial year 2022-23. Therefore, there is negative variation in the salary of the Company Secretary

- The percentage increase in the median remuneration of employees in the financial year 2022-23 - 12 %
- The Permanent employees on rolls of the Company were 797 as on 31st March 2023.
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with



the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: **Not applicable.**

- It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.

### Acknowledgement

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

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

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

Date	:	04/09/2023	Mohan Rao Kancharla	Rama Krishna Sabbineni
Place	:	Hyderabad	DIN: 00004288	DIN: 01825682
			Whole- Time Director	Director

**Form AOC-1**

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

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

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

**1. Company Name - CES GLOBAL IT SOLUTIONS PRIVATE LIMITED**

<b>Sl. No.</b>	<b>Particulars</b>	<b>Details</b>
1.	Name of the subsidiary	CES GLOBAL IT SOLUTIONS PRIVATE LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	INR
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4.	Share capital	₹ 1,00,000
5.	Reserves & surplus	₹ 15,36,46,083
6.	Total assets	₹ 31,10,66,941
7.	Total Liabilities	₹ 15,73,20,858
8.	Investments	-
9.	Turnover	₹ 41,15,64,297
10.	Profit before taxation	₹ 5,52,61,658
11.	Provision for taxation	₹ 1,56,58,795.00
12.	Profit after taxation	₹ 3,96,02,863
13.	Proposed Dividend	-
14.	% of shareholding	100%

2. Company Name - CES INFORMATION TECHNOLOGIES PRIVATE LIMITED

Sl. No.	Particulars	Details
1.	Name of the subsidiary	CES INFORMATION TECHNOLOGIES PRIVATE LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	INR
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4.	Share capital	₹ 1,00,000
5.	Reserves & surplus	₹ 30,34,83,289
6.	Total assets	₹ 38,68,63,105
7.	Total Liabilities	₹ 8,32,79,816
8.	Investments	-
9.	Turnover	₹ 58,11,41,698
10.	Profit before taxation	₹ 6,02,39,307
11.	Provision for taxation	₹ 1,92,16,536
12.	Profit after taxation	₹ 4,10,22,771
13.	Proposed Dividend	-
14.	% of shareholding	70%

### 3. Company Name - CES TECHNOLOGY SERVICES PRIVATE LIMITED

Sl. No.	Particulars	Details
1.	Name of the subsidiary	CES TECHNOLOGY SERVICES PRIVATE LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	INR
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4.	Share capital	₹ 1,00,000
5.	Reserves & surplus	₹ 2,17,00,716
6.	Total assets	₹ 2,20,53,772
7.	Total Liabilities	₹ 2,53,056
8.	Investments	-
9.	Turnover	-
10.	Profit before taxation	₹ 8,05,510
11.	Provision for taxation	₹ 2,02,783.10
12.	Profit after taxation	₹ 6,02,727
13.	Proposed Dividend	-
14.	% of shareholding	100%

4. Company Name - CES USA, INC

Sl. No.	Particulars	Details
1.	Name of the subsidiary	CES USA, INC
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Reporting currency – USD Exchange rate - 82.2169
4.	Share capital	\$ 780,000
5.	Reserves & surplus	\$ 48,97,026
6.	Total assets	\$ 15,463,503
7.	Total Liabilities	\$ 9,284,757
8.	Investments	
9.	Turnover	\$ 25,392,061
10.	Profit before taxation	\$ 503,257
11.	Provision for taxation	\$ 207,229
12.	Profit after taxation	\$ 296,028
13.	Proposed Dividend	-
14.	% of shareholding	100%

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

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

**Part “B”: Associates and Joint Ventures**

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

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

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

For P.Murali & Co		For and on behalf of the Board	
Chartered Accountants		CES Limited	
Firm Regn. No: 007257S			
		Mohana Rao Kancharla	Rama Krishna S
		Wholetime Director	Director
Date	04/09/2023	Srinivasa Raju Kucherlapati	Suraj Garg
Place	Hyderabad	Chief Financial Officer	Company Secretary

**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
CES Global IT Solutions Private Limited ("Company")  
South Wing- A Division , Fourth Floor, Tower- A Ramky Selenium Building,  
Nanakramguda, Gachibowli Hyderabad – 500032, Telangana, India.

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

**AUDITOR'S RESPONSIBILITY:**

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

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

**UNMODIFIED OPINION:**

Based on 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 on March 31, 2023 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

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

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

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

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

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

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

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The changes in the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act and Listing Regulations – Not applicable.

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

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

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

For Harikshit & Associates

Date	:	14-08-2023	Hariskhit Sinha
Place	:	Hyderabad	Practicing Company Secretary
UDIN	:	A060604E000804261	ACS No. A60604
			CP No. 22768

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 Global IT Solutions Private Limited ("Company")  
South Wing- A Division, Fmyth Floor, Tolr- A Ramky Selenium Building,  
Nanakramguda, Gachibowli Hyderabad – 500032, Telangana, India

1. My report of even date is to be read along with this letter.
2. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
3. I have followed the audit practices and process as are 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 to provide a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. 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.

For Harikshit & Associates

Date	:	14-08-2023	Hariskhit Sinha
Place	:	Hyderabad	Practicing Company Secretary
UDIN	:	A060604E000804261	ACS No. A60604 CP No. 22768

**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

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

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

**AUDITOR'S RESPONSIBILITY:**

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

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

**UNMODIFIED OPINION:**

Based on 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 on March 31, 2023 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

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

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

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

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

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

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

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The changes in the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act and Listing Regulations – Not applicable.

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

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

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

Date	:	07-08-2023	Sarada Putcha
Place	:	Hyderabad	Practicing Company Secretary
UDIN	:	A021717E000754449	ACS No. 21717
			CP No. 8735
			Sarada Putcha

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 ("Company")  
North Wing- A Division, Fourth Floor, Tower- A Ramky Selenium Building,  
Nanakramguda, Gachibowli Hyderabad – 500032, Telangana, India

1. My report of even date is to be read along with this letter.
2. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
3. I have followed the audit practices and process as are 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 to provide a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. 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.

Date	:	07-08-2023	Sarada Putcha
Place	:	Hyderabad	Practicing Company Secretary
UDIN	:	A021717E000754449	ACS No. 21717
			CP No. 8735
			Sarada Putcha

**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**  
**[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

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

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

**AUDITOR'S RESPONSIBILITY:**

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

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

**UNMODIFIED OPINION:**

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

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

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

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

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

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

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

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

**I further report that**

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

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

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

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

Date	:	07-08-2023	Sarada Putcha
Place	:	Hyderabad	Practicing Company Secretary
UDIN	:	A021717E000754317	ACS No. 21717 CP No. 8735

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

## Annexure A

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

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

Date	:	07-08-2023	Sarada Putcha
Place	:	Hyderabad	Practicing Company Secretary
UDIN	:	A021717E000754317	ACS No. 21717
			CP No. 8735

## THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### (a) Overview of the Industry

Global GDP in FY 2023 was affected by the Russia-Ukraine war and resultant dislocations in supply chains, leading to surging food and energy inflation. Central banks raised interest rates sharply in response. As a result, the global GDP is estimated to have grown at a more subdued 3.4% in 2022, versus 5.9% in the prior year

Global technology spending on Enterprise software and IT services crossed the \$2 trillion mark in 2022, growing 5.5% YoY. IT services grew 3.5% YoY, to \$1,250 billion. This growth was led by accelerated cloud adoption, preference for external expertise due to severe talent scarcity, and expanding scope of digital transformation to cover more back-office operational areas.

### 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

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



## OPPORTUNITIES

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

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

## THREATS

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

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

### CONSOLIDATED

Our revenue for financial year 2022-23 is Rs. 42,645.23 Lacs and our consolidated profit after tax (PAT) is Rs. 1,951.43 Lacs.

### STANDALONE

Our revenue for financial year 2022-23 is Rs. 20,371.26 Lacs and our profit after tax (PAT) Rs. 894.96 Lacs.

**(b) Segment-wise.**

**SEGMENT WISE RESULTS (STANDALONE):**

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

<b>Profit and Loss Statements for the year ended 31<sup>st</sup> March 2023</b>	<b>IT Services</b>	<b>IT Enabled Services</b>	<b>Total</b>
Revenues	7,011.34	13,359.92	20,371.26
Direct Expenses	3,145.55	5,993.76	9,139.31
<b>Gross Income</b>	<b>3,865.79</b>	<b>7,366.16</b>	<b>11,231.95</b>
Less: Un-allocated Expenses			10,481.56
<b>Add: Interest &amp; Other Income</b>			<b>530.65</b>
<b>Net Profit Before Taxes</b>			<b>1,281.04</b>
Income Taxes			386.09
<b>Net Profit After Taxes</b>			<b>894.96</b>

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

<b>Profit and Loss Statements for the year ended 31<sup>st</sup> March 2023</b>	<b>USA</b>	<b>DOMESTIC</b>	<b>Total</b>
Revenues	20,287.82	83.44	20,371.26
Direct Expenses	9,098.88	40.43	9,139.31
<b>Gross Income</b>	<b>11,188.94</b>	<b>43.01</b>	<b>11,231.95</b>
Less: Un-allocated Expenses			10,481.56
<b>Add: Interest &amp; Other Income</b>			<b>530.65</b>
<b>Net Profit Before Taxes</b>			<b>1,281.04</b>
Income Taxes			386.09
<b>Net Profit After Taxes</b>			<b>894.96</b>

## SEGMENT WISE RESULTS (CONSOLIDATED):

### BUSINESS SEGMENTS: (Amount In Lakhs)

<b>Profit and Loss Statements for the year ended 31<sup>st</sup> March 2023.</b>	<b>IT Services</b>	<b>IT Enabled Services</b>	<b>Total</b>
Revenues	17,623.83	25,021.40	42,645.23
Direct Expenses	8,905.42	12,643.45	21,548.87
<b>Gross Income</b>	<b>8,718.41</b>	<b>12,377.95</b>	<b>21,096.37</b>
Less: Un-allocated Expenses			18,867.36
<b>Add: Interest &amp; Other Income</b>			<b>623.02</b>
<b>Net Profit Before Taxes</b>			<b>2,852.03</b>
Income Taxes			900.60
<b>Net Profit After Taxes</b>			<b>1,951.43</b>

### GEOGRAPHICAL SEGMENTS: ( Amount In Lakhs)

<b>Profit and Loss Statements for the year ended 31<sup>st</sup> March 2023.</b>	<b>USA</b>	<b>DOMESTIC</b>	<b>Total</b>
Revenues	42,561.79	83.44	42,645.23
Direct Expenses	21,508.43	40.43	21,548.86
<b>Gross Income</b>	<b>21,053.36</b>	<b>43.01</b>	<b>21,096.37</b>
Less: Un-allocated Expenses			18,867.36
<b>Add: Interest &amp; Other Income</b>			<b>623.02</b>
<b>Net Profit Before Taxes</b>			<b>2,852.03</b>
Income Taxes			900.60
<b>Net Profit After Taxes</b>			<b>1,951.43</b>

**(c) Risks and concerns.****BUSINESS RISKS.**

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

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

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

**INDIAN COMPLIANCE AND TAXATION RISK**

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

Ministry of Corporate Affairs and Security Exchange Board of India has issue various circulars, Notification and amendments during the financial year 2022-23. Our Company has taken necessary steps to ensure Compliance of all the above.

**EXCHANGE FLUCTUATION**

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

**GEOGRAPHICAL CONCENTRATION OF CLIENTS**

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

**INFRASTRUCTURE RISKS**

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

**HUMAN RESOURCES RISK**

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

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

**a) Internal control systems and their adequacy:**

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

## DETAILS OF KEY FINANCIAL RATIOS

Ratios	Numerator	Denominator	Current year	Previous year	Variance (in %)
Current ratio (in times)	Total current assets	Total current liabilities	2.03	2.16	(6.09)
Debt-Equity ratio(in times)	Debt consists of borrowings and lease liabilities*	Total Equity	N.A	N.A	-
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non- cash operating expenses + Interest + Other non-cash Adjustments	Debt service = Interest and lease payments + Principal repayments*	N.A	N.A	-
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	10.09%	19.47%	15.40
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	5.99	5.51	8.76
Trade payables turnover ratio (in times)	Purchase of Services and other expenses	Average trade payables	8.89	8.83	0.68
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e., Total current assets less Total current liabilities)	4.22	5.38	(21.53)
Net profit ratio (in %)	Profit for the year	Revenue from operations	4.39%	8.98%	-4.59%
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Tangible Networth + Lease liabilities +	13.14%	24.11%	-10.97%



		Deferred tax liabilities			
Return on investment (in %) -Unquoted	Income generated from invested funds	Average invested funds in treasury investments	95%	180%	-85.24%^

\* The company does not have any borrowings and lease liabilities

^ Current year Profit from subsidiaries is decreased for the year, hence ROI was decreased

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

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

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

Date	:	04/09/2023	Mohan Rao Kancharla	Rama Krishna Sabbineni
Place	:	Hyderabad	DIN: 00004288	DIN: 01825682
			Whole- Time Director	Director

## **CORPORATE GOVERNANCE REPORT**

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

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

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

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

#### **CES Limited has adopted the following main principles and philosophies:**

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

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

## 2 BOARD OF DIRECTORS:

### (a) Composition and category of Directors

Independent	Mr. Murali Krishna Tummala
	Mr. Duruvasan Ramachandra
Whole-time Director	Mr. Mohana Rao Kancharla
Promoter Group	Mr. Sai Krishna Kancharla
	Mr. Rama Krishna Sabbineni (Alternate Director for Mr. Venkat Davarapalli)
Woman Director	Mrs. Aruna Krishna Sabbineni

### Disclosure of relationships between directors inter-se;

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

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

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

Name of the Director	Board meetings held	Number of Board Meetings Attended	Whether attended last AGM	Number of Memberships of other Boards as on 31 <sup>st</sup> March, 2023	Number of Memberships of other Board Committees*	Number of Chairmanships in other Board Committees*	No of directorship in other listed company
Mr. Murali Krishna Tummala	8	8	No	4	-	-	-
Mr. Duruvasan Ramachandra	8	8	Yes	4	-	-	1
Mr. Mohana Rao Kancharla	8	8	Yes	8	-	-	-
Mr. Sai Krishna Kancharla	8	2	No	-	-	-	-
Mr. Venkat Davapalli (Mr. Rama Krishna Sabbineni is alternate Director)	8	2	Yes	2	-	-	-
Mrs. Aruna Krishna Sabbineni	8	2	No	5	-	-	-

<b>Date of the Board Meeting</b>	<b>Board Strength</b>	<b>No. of Directors present/ required to Present</b>
Friday, April 08, 2022	6	4
Monday, May 16, 2022	6	3
Monday, May 30, 2022	6	3
Saturday, August 13, 2022	6	3
Monday, September 05, 2022	6	4
Monday, November 14, 2022	6	4
Friday, January 20, 2023	6	5
Tuesday, February 14, 2023	6	4

The 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 and Shri Sai Krishna Kancharla hold 88,38,200 equity shares and 8,75,000 equity shares respectively under promoter/ promoter group category.

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

**Note:**

1. Mr. Rama Krishna Sabbineni is Alternate Director for Venkateswara Davarapalli 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 the 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, 2023:**

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 31<sup>st</sup> March 2023. The maximum time gap between any of the two meetings was not more than four months.

**Audit Committee Meetings held during the year 2022-23 and attendance details:**

Date of the Meeting	Committee Strength	No. of Directors present
Monday, May 16, 2022	3	2
Monday, May 30, 2022	3	2
Saturday, August 13, 2022	3	2
Monday, November 14, 2022	3	3
Tuesday, February 14, 2023	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 to discuss 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, 2023:**

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

## Meetings and Attendance

Date of the Meeting	Committee Strength	No. of Directors present
30-03-2023	3	3

## 2. REMUNERATION OF DIRECTORS:

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

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

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

- ii. Disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013, the following disclosures shall be made:

#### FOR WHOLE TIME DIRECTOR

The total remuneration pursuant to shareholders approval consists of:

A fixed component – consisting of salary and perquisites.

(Rs. in Lakhs)

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

## 6. STAKEHOLDERS' GRIEVANCE COMMITTEE:

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

## 7. GENERAL BODY MEETINGS:

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

Financial Year	Location of AGM	Date & Time of AGM
2021-22	Seventh Floor Ramky Selenium, Nanakramguda, Gachibowli, Hyderabad-500032 (Via audion visual means)	30 <sup>th</sup> September, 2022 at 4.00 PM
2020-21	Seventh Floor Ramky Selenium, Nanakramguda, Gachibowli, Hyderabad-500032 (Via audion visual means)	30 <sup>th</sup> September, 2021 at 4.00 PM
2019-20	Seventh Floor Ramky Selenium, Nanakramguda, Gachibowli, Hyderabad-500032	30 <sup>th</sup> December,2020 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

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

No Such Resolution passed through postal Ballot.

**(d) Person who conducted the postal ballot exercise;**

Not Applicable

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

Not Applicable

**(f) Procedure for postal ballot.**

Not Applicable

**8. MEANS OF COMMUNICATION:**

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

14.08.2023, 14.11.2023, 14.02.2024 and 30.05.2024

**(h) Newspapers wherein results normally published;**

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

**(i) Website, where displayed;**

The Company Updates it's the entire official, Business and Investor related information on [www.cesltd.com](http://www.cesltd.com)



**(j) Whether it also displays official news releases;**

It also displays official information on cesltd.com

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

The Company has not made any Investor related presentation in the 2022-23.

**9. GENERAL SHAREHOLDER INFORMATION:**

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

Annual general meeting to be held on 29.09.2023 at 4: 00 pm at Registered office of the Company at 7th Floor, Tower-A., Ramky Selenium, Nanakramguda, Gachibowli, Hyderabad – 500032 (Through audio Visual means).

**(m) Financial year;**

2022-23

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

The Company is listed on the below Stock Exchange;

**1. Bombay Stock Exchange**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.

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

**(o) Stock code;**

Stock code for Bombay Stock Exchange: 512341

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

<b>S. No</b>	<b>Month 2022-23</b>	<b>High</b>	<b>Low</b>
1	April	0.40	0.42
2	May	0.40	0.42
3	June	0.40	0.44
4	July	0.44	0.44
5	August	0.44	0.44
6	September	0.44	0.44
7	October	0.44	0.44
8	November	0.44	0.44
9	December	0.44	0.44
10	January	0.44	0.44
11	February	0.44	0.44
12	March	0.44	0.44

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

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

**Registrar to an issue and share transfer agents;**

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

**ISIN for the Equity Shares:** INE396F01013

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



**(s) Distribution of shareholding;**

**Distribution of Shareholding as on 31<sup>st</sup> March, 2023:**

Sl No	Category	No of shareholder s	Holder s %	Shares	Amount	%
1	1 - 5000	2	7.69%	280	2800	0.001%
2	50001 - 100000	-	-	-	-	-
3	100001 & Above	23	92.31%	36399720	363997200	99.999%

**(t) Demat and Physical Shares;**

SL.NO.	PARTICULARS	NO OF SHARES	% OF TOTAL ISSUED CAPITAL
1	Issued Capital	36400000	100
2	Listed Capital	36400000	100
3	Held in Dematerialized form in CDSL	6360060	17.47
4	Held in Dematerialized form in NDSL	27956740	76.80
5	Physical	2083200	5.72
6	<b>Total no. of Shares</b>	<b>36400000</b>	<b>100</b>

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

The Company do not have any such Securities.

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

Not applicable.

**(w) Office Locations**

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



## **CHENNAI**

151, Village Road,  
Nungambakkam,  
No.25,  
Chennai-600034  
Navalur,  
Tel No. (91) 44- 42326666  
Fax: (91) 44- 52146551

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

SSPDL Alpha City  
First Floor Beta Block  
Rajiv Gandhi Salai,  
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 318<sup>th</sup> Road, AL Quoz 3  
Dubai, UAE  
Tel: (971) 4347 5380  
Fax: (971) 4347 5379

## **VISHAKHAPATNAM**

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

## Geographical Locations



## 10. OTHER DISCLOSURES:

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

No Such instance

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

No Such Penalty was imposed on Company

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

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

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

Type of Service	CES Limited	
	2022-23	2021-22
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/-

Subsidiary companies

Type of Service	CES TECHNOLOGY SERVICES PRIVATE LIMITED	
	2022-23	2021-22
Audit Fee	36,000/-	36,000/-
Tax Audit Fee	-	-
Others	-	-
Total	36,000/-	36,000/-

Type of Service	CES GLOBAL IT SOLUTIONS PRIVATE LIMITED	
	2022-23	2021-22
Audit Fee	36,000/-	36,000/-
Tax Audit Fee	-	-
Others	-	-
Total	36,000/-	36,000/-

Type of Service	CES TECHNOLOGIES INFORMATION PRIVATE LIMITED	
	2022-23	2021-22
Audit Fee	30,000/-	39,746/-
Tax Audit Fee	-	-
Others	-	-
Total	30,000/-	39,746/-

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

**(i). The Board**

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

**(ii). Shareholder Rights**

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

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

There is no modification of opinion by the auditors

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

The company has only chairman and no chief executive officer

**(v). Reporting of internal auditor**

The internal auditor reports directly to the audit committee

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

There is no such instance

**(L)** The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 is done and accordingly annual corporate governance 2022-2023 ,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



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

Date	:	04/09/2023	Mohan Rao Kancharla	Rama Krishna Sabbineni
Place	:	Hyderabad	DIN: 00004288	DIN: 01825682
			Whole- Time Director	Director



**Disclosures with respect to demat suspense account/ unclaimed suspense account**

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

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

**Nil**

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

**Nil**

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

**Nil**

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

**Nil**

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

**Nil**

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

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

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

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

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

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

Date	:	04/09/2023	Mohan Rao Kancharla	Rama Krishna Sabbineni
Place	:	Hyderabad	DIN: 00004288	DIN: 01825682
			Whole- Time Director	Director

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

### 1. Composition of CSR Committee

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

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

Financial Years	Year
Net profit before tax for FY 2021-22	₹ 20,25,79,354/-
Net profit before tax for FY 2020-21	₹ 6,93,72,485/-
Net profit before tax for FY 2019-20	₹ 11,07,47,704/-
<b>Average of previous three years</b>	<b>₹ ₹ 12,75,66,514/-</b>

### 4. CSR Expenditure: ₹ 25,51,330/-

### 5. Details of CSR Spend during the financial year 2022-23

During the financial year 2022-2023 CES Limited transferred ₹ 25,51,330/- to CES Foundation.

### 6 Amount if any not spent: Nil



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

Date	:	04/09/2023	Mohan Rao Kancharla	Rama Krishna Sabbineni
Place	:	Hyderabad	DIN: 00004288	DIN: 01825682
			Whole- Time Director	Director



## DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down Code of Conduct for all Board Members and senior management personnel of the Company. The code of conduct has also been posted on the website of the Company. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on 31<sup>st</sup> March, 2023 as envisaged in SEBI LODR (Regulations) 2015 with stock exchanges.

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

Date	:	04/09/2023	Mohan Rao Kancharla	Rama Krishna Sabbineni
Place	:	Hyderabad	DIN: 00004288	DIN: 01825682
			Whole- Time Director	Director

**WHOLE TIME DIRECTOR/CFO CERTIFICATION PURSUANT TO REGULATION 17(8) OF SEBI (LODR) REGULATIONS, 2015****DECLARATION SIGNED BY THE WHOLE-TIME DIRECTOR STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

To,  
The Board of Directors  
CES Limited

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

- 1) We have reviewed financial statements and cash flow statements for the year ended March 31, 2023 and that to the best of our knowledge and belief:
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or which violate the Company's code of conduct.
- 3) We are responsible for establishing and maintaining internal controls for financial reporting and we have:
  - a. Evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting;
  - b. Disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware; and
  - c. The steps we have taken or propose to take to rectify these deficiencies

- 4) We have indicated to the Company's Auditors and the Audit Committee of the Board of Directors:
- a. Significant changes that have occurred in the internal control over financial reporting during the year;
  - b. All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
  - c. Instances of significant fraud, if any, of which we are aware and the involvement therein of the management or an Employee having a significant role in the Company's internal control system over financial reporting;
  - d. All deficiencies, if any, in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data, and have identified for the Company's Auditors, any material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.

For CES Limited

Mohana Rao Kancharla  
Whole Time Director

Srinivas Raju Kucherlapati  
Chief Financial Officer

Date: 30-05-2023

Place: Hyderabad

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

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

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

In my opinion and to the best of my information and according to the verifications (including Director Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below (in the table) for the financial year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

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

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

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

Date	:	07-08-2023	Sarada Putcha
Place	:	Hyderabad	Practicing Company Secretary
UDIN	:	A021717E000754372	ACS No. 21717 CP No. 8735

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members

CES Limited

### **INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

1. This certificate is issued in accordance with terms of our engagement with CES Limited ('the Company')
2. We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31 2023, as stipulated in Regulations 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### **MANAGEMENT'S RESPONSIBILITY**

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

### **AUDITOR'S RESPONSIBILITY**

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

### **OPINION**

7. Based on our examination of the relevant records and according to the information and explanation provided to us and the representations provided by the Management, we certify that the Company has complied with conditions of Corporate Governance as stipulated in Regulations 15(2) of the Listing Regulations during the year ended March 31, 2023.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company

**For P.Murali & Co,  
Chartered Accountants  
Firm Regn. No: 007257S**

**M V Joshi  
Partner  
Membership No. 024784**

Place : Hyderabad  
Date : 4<sup>th</sup> September, 2023

## **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, 2023, 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, 2023, Profit, and its cash flows for the year ended on that date.

### **Basis for Opinion**

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

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

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

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

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

### **Management's Responsibility for the Standalone Financial Statements**

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

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

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

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

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

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

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

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

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

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

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

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A , a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued there under.
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have pending litigations on its financial position in its standalone financial statements.
  - ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

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

**M V Joshi**  
**Partner**  
**M.No. 024784**

**Place: Hyderabad**  
**Date: 30-05-2023**

## 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 31<sup>st</sup> March 2023, we report that:**

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

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

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

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

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

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

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

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

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

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

- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.
- vi. The cost records as specified under sec 148(1) of the Companies Act 2013, is not prescribed to the company.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax and other material statutory dues, as applicable, with the appropriate authorities in India
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax and other material statutory dues in arrears as at 31<sup>st</sup> March 2023 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 Statutory dues which have not been deposited with appropriate authorities on account of any dispute. Except the Following:

<b>Name of the statute</b>	<b>Nature of dues</b>	<b>Amount (Rs.)</b>	<b>Period to which amount relates (Financial Year)</b>	<b>Forum where dispute is Pending</b>
Income Tax Act,1961	Income Tax	60,85,890/-	2013-14	CIT(A)-NFAC
Income Tax Act,1961	Income Tax	NIL	2017-18	CIT(A)-NFAC
Income Tax Act,1961	Income Tax	64,99,200/-	2019-20	CIT(A)-NFAC

- viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company does not have any transactions which are not recorded in the books of account have been

surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act.

- ix.
  - a) The Company doesn't have any loans & borrowings.
  - b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
  - c) The Company has not taken term loans during the year.
  - d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
  - f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- x.
  - (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans.
  - (b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xi. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our Audit.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting standard (Ind AS) 24, related party disclosures specified under section 133 of the Act, read with relevant rules issued there under.
- xiv.
  - (a) In our opinion the company has an adequate internal audit system which commensurate with the size and nature of its business.

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

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

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

**M V Joshi**  
**Partner**  
**M.No. 024784**

**Place: Hyderabad**  
**Date: 30-05-2023**

## **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, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditor’s Responsibility**

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

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitation of Internal Financial Controls over Financial Reporting**

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

## **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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. Murali & Co.**  
**Chartered Accountants**  
**FRN: 007257S**

**M V Joshi**  
**Partner**  
**M.No. 024784**

**Place: Hyderabad**  
**Date: 30-05-2023**

**CES LIMITED**

**Standalone Balance Sheet as at March 31, 2023**

Particulars	Note No	As on 31.03.2023	As on 31-03-2022
		(In Lakhs)	(In Lakhs)
<b>ASSETS:</b>			
<b>1 Non-Current Assets:</b>			
<b>(a) Property, Plant and Equipment and Intangible Assets</b>			
(i) Property, Plant and Equipment	1	3,703.86	3,893.28
(ii) Capital Work-in-progress		155.51	34.29
(iii) Goodwill		28.71	57.35
(b) Investments	2	1,004.39	1,004.39
(c) Other Non Current Assets	3	425.86	497.09
<b>2 Current Assets:</b>			
<b>(a) Financial Assets:</b>			
(i) Trade Receivables	4	3,706.02	3,097.91
(ii) Cash and Cash Equivalents	5	6,210.10	3,445.96
(iii) Loans	6	1,038.09	909.87
(b) Other Current Assets	7	96.85	86.25
<b>Total</b>		<b>16,369.38</b>	<b>13,026.39</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	8	3,640.00	3,640.00
(b) Other Equity	9	5,896.08	4,555.52
<b>Liabilities</b>			
<b>2 Non-Current Liabilities</b>			
<b>(a) Financial Liabilities:</b>			
(i) Borrowings	10	-	-
(b) Provisions	11	1,147.22	1,077.23
(c) Deferred Tax Liabilities (Net)	12	241.04	264.64
<b>3 Current Liabilities</b>			
<b>(a) Financial Liabilities:</b>			
(i) Trade Payables	13	800.48	1,535.58
(b) Other Current Liabilities	14	3,933.13	1,273.97
(c) Provisions	15	711.43	679.45
<b>Total</b>		<b>16,369.38</b>	<b>13,026.39</b>

**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.Murali & Co,  
Chartered Accountants  
Firm Regn. No: 007257S

For and on behalf of the Board  
CES Limited

M V Joshi  
Partner  
Membership No. 024784

Mohana Rao Kancharla  
Director  
DIN: 00004288

Rama Krishna S  
Director  
DIN: 01825682

Place : Hyderabad  
Date : 30-05-2023

Srinivasa Raju Kucherlapati  
Chief Financial Officer

Suraj Kumar Garg  
Company Secretary

**CES LIMITED**

**Standalone Statement of Profit and Loss for the Year ended March 31, 2023**

Particulars	Note No	Year Ended 31.03.2023	Year Ended 31-03-2022
		(In Lakhs)	(In Lakhs)
I. Revenue from Operations	16	20,371.26	16,665.17
II. Other Income	17	530.65	354.31
<b>III. Total Income (I +II)</b>		<b>20,901.92</b>	<b>17,019.47</b>
<u>IV. Expenses:</u>			
Employee Benefits expense	18	9,139.32	7,345.82
Finance costs	19	-	-
Depreciation and Amortization Expense	1	260.41	295.06
Other Expenses	20	10,221.15	7,352.79
<b>IV. Total Expenses</b>		<b>19,620.88</b>	<b>14,993.68</b>
V. Profit/(Loss) before exceptional items and tax (III - IV)		<b>1,281.04</b>	<b>2,025.79</b>
VI. Exceptional Items		-	-
VII. Profit/(Loss) before tax (V-VI)		<b>1,281.04</b>	<b>2,025.79</b>
VIII. Tax expense:	21		
(i) Current tax		407.80	476.35
(ii) Deferred tax		(21.72)	52.84
IX. Profit/(Loss) for the Year Ended from continuing operations (VII-VIII)		<b>894.96</b>	<b>1,496.60</b>
X. Other Comprehensive Income.			
<b>A. Items that will not be reclassified subsequently to Profit or Loss</b>			
(i) Remeasurement of defined employee benefit plans (net of tax)		149.17	(473.90)
<b>B. Items that will be reclassified to subsequently to Profit or Loss</b>			
(i) Exchange differences on foreign currency transactions ( net of tax)		296.43	(7.54)
<b>Total Comprehensive Income for the Year Ended</b>		<b>1,340.56</b>	<b>1,015.16</b>
XI. Earnings per equity share (for continuing operation):			
(1) Basic		2.46	4.11
(2) Diluted		2.46	4.11

**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.Murali & Co,  
Chartered Accountants  
Firm Regn. No: 007257S

For and on behalf of the Board  
CES Limited

M V Joshi  
Partner  
Membership No. 024784

Mohana Rao Kancharla  
Director  
DIN: 00004288

Rama Krishna S  
Director  
DIN: 01825682

Place : Hyderabad  
Date : 30-05-2023

Srinivasa Raju Kucherlapati  
Chief Financial Officer

Suraj Garg  
Company Secretary

**CES LIMITED**

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023**

Particulars	Year Ended 31.03.2023 In Lakhs	Year Ended 31-03-2022 In Lakhs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before taxation, and extraordinary items	1,281.04	2,025.79
Adjustments for:		
Interest Paid	-	-
Interest Income	(57.00)	(83.78)
Rental Income	(224.00)	(215.04)
Depreciation	260.41	295.06
Other Comprehensive income for the year	445.60	(481.44)
Operating Profit before working capital changes	1,706.04	1,540.60
Adjustments for:		
Trade and Other Receivables	(608.11)	(142.24)
Short Term Loans and Advances	(128.22)	(233.76)
Other Current Liabilities	2,659.15	(1,783.13)
Short Term Provisions	31.98	421.75
Long Term Provisions	69.99	529.99
Trade payables	(735.10)	1,401.73
Other Current assets	(10.59)	(66.84)
Other Non Current Assets	71.24	26.62
Cash generated from operations	3,056.38	1,694.72
Direct taxes	(409.67)	(474.64)
Cash flow before extraordinary items	2,646.71	1,220.08
Extraordinary items	-	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2,646.71</b>	<b>1,220.08</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(163.57)	(18.31)
Interest Income	57.00	83.78
Rental Income	224.00	215.04
Investment in Non-Current Investments	-	-
Net Cash Used In Investing Activities	117.44	280.51
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Interest paid	-	-
Long Term Liabilities	-	-
Long Term Loans and Other Financial Assets	-	-
Net Cash Flow From Financing Activities	-	-
<b>NET INCREASE\ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,764.15</b>	<b>1,500.58</b>
Cash and Cash equivalents ( Opening Balance)	3,445.96	1,945.37
Cash and Cash equivalents ( Closing Balance)	6,210.10	3,445.96

AS PER OUR REPORT OF EVEN DATE

For P.Murali & Co,  
Chartered Accountants  
Firm Regn. No: 007257S

For and on behalf of the Board  
CES Limited

M V Joshi  
Partner  
Membership No. 024784

Mohana Rao K  
Director  
DIN: 00004288

Rama Krishna S  
Director  
DIN: 01825682

Place : Hyderabad.  
Date : 30-05-2023

Srinivasa Raju K  
C.F.O

Suraj Garg  
Company Secretary

**CES LIMITED**

NOTE NO. 1 : PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS AS AT 31.03.2023

In Lakhs

Sl. No.	Particulars	Gross Block				Depreciation/Amortization				Net Block as on 31.03.2023	Net Block as on 31-03-2022
		As on 01.04.2022	Additions during the Year	Deletions during the Year	As on 31.03.2023	Dep. As on 01.04.2022	Depre. on Deletions	Dep. For the Year	Total Depreciation		
	<b>PROPERTY, PLANT AND EQUIPMENT:</b>										
1	BUILDINGS (HYDERABAD)	2,534.24	-	-	2,534.24	286.22	-	82.52	368.75	2,165.50	2,248.02
2	COMPUTERS & SOFTWARE	1,055.33	-	-	1,055.33	1,034.42	-	10.67	1,045.09	10.24	20.91
3	OFFICE EQUIPMENT	672.74	12.77	-	685.51	589.30	-	44.81	634.11	51.40	83.44
4	FURNITURE AND FIXTURES	789.21	-	-	789.21	407.09	-	68.36	475.45	313.76	382.12
5	MOTOR VEHICLES	58.67	29.58	-	88.25	54.02	-	5.62	59.64	28.61	4.65
6	LEASE HOLD LAND (SIPCOT)	25.04	-	-	25.04	4.13	-	0.25	4.39	20.65	20.91
7	BUILDING (SIPCOT)	313.46	-	-	313.46	54.97	-	4.82	59.79	253.67	258.49
8	BUILDINGS (VIZAG)	929.95	-	-	929.95	55.21	-	14.71	69.93	860.03	874.74
	INTANGIBLE ASSETS:	-	-	-	-	-	-	-	-	-	-
1	GOODWILL*	286.37	-	-	286.37	229.02	-	28.64	257.66	28.71	57.35
	CAPITAL WORK IN PROGRESS	-	-	-	-	-	-	-	-	-	-
1	BUILDING (VIZAG)	34.29	7.94	-	42.23	-	-	-	-	42.23	34.29
2	SIPCOT II	-	113.28	-	113.28	-	-	-	-	113.28	-
	<b>TOTAL</b>	<b>6,699.31</b>	<b>163.57</b>	<b>-</b>	<b>6,862.87</b>	<b>2,714.39</b>	<b>-</b>	<b>260.41</b>	<b>2,974.79</b>	<b>3,888.08</b>	<b>3,984.92</b>
	<b>PREVIOUS YEAR</b>	<b>6,681.00</b>	<b>18.31</b>	<b>-</b>	<b>6,699.31</b>	<b>2,419.32</b>	<b>-</b>	<b>295.06</b>	<b>2,714.39</b>	<b>3,984.92</b>	<b>4,268.67</b>

\* The Company doesnt have any intangible assets under development.

Capital Work in Progress (CWIP) ageing schedule for the year ended as on 31.03.2023 is as follows:

S.No	Particulars	Outstanding for following periods from due date of Payment				Total
		Less than 01 Year	1-2 Years	2-3 Years	More than 03 Years	
(i)	Projects in progress	121.22	10.69	-	23.60	155.51
(ii)	Projects temporarily Suspended	-	-	-	-	-

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

S.No	Particulars	Outstanding for following periods from due date of Payment				Total
		Less than 01 Year	1-2 Years	2-3 Years	More than 03 Years	
(i)	Projects in progress	10.69	-	-	23.60	34.29
(ii)	Projects temporarily Suspended	-	-	-	-	-

# CES LIMITED

## Standalone Notes to Financial Statements for the Year ended March 31, 2023

### NOTE NO. 2 : INVESTMENTS

S.No.	Particulars	As on 31.03.2023	As on 31-03-2022
		(In Lakhs)	(In Lakhs)
I	Investments in Equity Instruments:		
	1) Investment in Subsidiaries		
	a) Equity Shares		
	1) CES USA Inc. USA (Unquoted) -100% Holding	345.90	345.90
	780,000 (previous year 780,000) equity shares of USD 1 each, fully paid		
	Wholly owned subsidiary of the company.		
	2) CES Information Technologies Pvt. Ltd.	0.70	0.70
	6,999 (Previous year 7000) equity shares of Rs. 10/- fully paid up.		
	3) CES Global IT Solutions Private Limited.	351.20	351.20
	9,999 equity shares of Rs. 10/- fully paid up.		
	4) CES Technology Services Private Limited.	306.59	306.59
	9,999 equity shares of Rs. 10/- fully paid up.		
	<b>Total Investments</b>	<b>1,004.39</b>	<b>1,004.39</b>

### NOTE NO. 3 : OTHER NON CURRENT ASSETS

S. No.	Particulars	As on 31.03.2023	As on 31-03-2022
		(In Lakhs)	(In Lakhs)
	<b>Non Current</b>		
a	Security Deposits	96.25	81.58
b	Statutory dues Receivable	329.61	415.52
c	Capital Advances	-	-
	<b>Total Loans-Non Current</b>	<b>425.86</b>	<b>497.09</b>

### NOTE NO. 4 : TRADE RECEIVABLES

S. No.	Particulars	As on 31.03.2023	As on 31-03-2022
		(In Lakhs)	(In Lakhs)
	<b>Unsecured, Considered Good</b>		
a	Accounts Receivable	3,690.56	3,082.46
b	Doubtful Debts	15.45	15.45
	<b>Total Trade Receivables</b>	<b>3,706.02</b>	<b>3,097.91</b>

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

Particulars	As on 31.03.2023	As on 31.03.2022
<b>Undisputed -Considered good</b>		
- Lessthan 06 Months	3,674.53	3,060.02
- 6 Months - 01 Year	16.04	15.93
- 1 -2 Years	-	6.50
- 2-3 Years	-	-
- > 03 Years	-	-
<b>Undisputed -Considered Doubtful</b>		
- Lessthan 06 Months	-	-
- 6 Months - 01 Year	-	-
- 1 -2 Years	-	-
- 2-3 Years	-	-
- > 03 Years	15.45	15.45
<b>Total</b>	<b>3,706.02</b>	<b>3,097.91</b>

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

**NOTE NO. 5 : CASH AND CASH EQUIVALENTS**

S. No.	Particulars	As on 31.03.2023	As on 31-03-2022
		(In Lakhs)	(In Lakhs)
	<b>Cash and cash equivalents :</b>		
a	Balances with banks :		
	On Current Accounts	5,006.88	2,689.80
	Bank deposits with less than 12 months maturity	1,203.22	755.91
b	Cash on hand	0.01	0.25
	<b>Total Cash and Cash Equivalents</b>	<b>6,210.10</b>	<b>3,445.96</b>

**NOTE NO. 6 : LOANS -CURRENT**

S. No.	Particulars	As on 31.03.2023	As on 31-03-2022
		(In Lakhs)	(In Lakhs)
	<b>Unsecured, Considered Good</b>		
a	Loans and Advances to Employees	55.09	9.68
b	Prepaid Expenses	145.33	149.37
c	GST Input Credit	271.62	172.12
d	Advance Tax, TDS & TCS Receivables	546.41	572.62
e	Other Advances	19.65	6.08
	<b>Total Loans -Current</b>	<b>1,038.09</b>	<b>909.87</b>

**NOTE NO. 7 : OTHER CURRENT ASSETS**

S. No.	Particulars	As on 31.03.2023	As on 31-03-2022
		(In Lakhs)	(In Lakhs)
a	Rent Receivables	0.16	5.29
b	Other Current Assets	96.69	80.96
	<b>Total Other Current Assets</b>	<b>96.85</b>	<b>86.25</b>

**CES LIMITED**

Standalone Notes to Financial Statements for the year ended March 31, 2023

**NOTE NO. 8 : EQUITY SHARE CAPITAL**

S.No.	Particulars	As on 31.03.2023 (In Lakhs)	As on 31-03-2022 (In Lakhs)
I	Equity Share Capital		
	(a) Authorised (3,65,00,000 Shares of 10/- each Current Year ) (3,65,00,000 Shares of 10/- each Current Year )	3,650.00 3,650.00	3,650.00 3,650.00
	(b) Issued [3,64,00,000 Shares of 10/- each Current Year (of which 3,51,00,000 shares of 10/- each issued by way of bonus shares)] [3,64,00,000 Shares of 10/- each Current Year (of which 3,51,00,000 shares of 10/- each issued by way of bonus shares)]	3,640.00	3,640.00
	(c) Subscribed & Fully Paid Up [3,64,00,000 Shares of 10/- each Current Year (of which 3,51,00,000 shares of 10/- each issued by way of bonus shares)]. [3,64,00,000 Shares of 10/- each Current Year (of which 3,51,00,000 shares of 10/- each issued by way of bonus shares)]	3,640.00 3,640.00	3,640.00 3,640.00
	<b>Total Equity Share capital</b>	<b>3,640.00</b>	<b>3,640.00</b>
II	<b><u>A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting Year Ended:</u></b>		
	<b>Equity Shares of Rs.10Each, Fully paid up</b>		
	At the Beginning	364.00	364.00
	Issued during the year -Bonus Shares		
	At the end	<b>364.00</b>	<b>364.00</b>
III	<b><u>Details of Shareholder holding more than 5% shares of the company:</u></b>	<b>% of Share Holding</b>	
	<b>Equity Shares of Rs. 10 each Held By</b>		
	Ram Kancharla - 10,280,200 Shares (C.Y ) ..... 10,280,200 Shares ( P.Y)	28.24	28.24
	Venkateswara Rao.D - 8,838,200 Shares (C.Y ) ..... 8,838,200 Shares ( P.Y)	24.28	24.28
	Pokuri Swarnalatha - 3,165,120 Shares (C.Y ) ..... 3,165,120 Shares ( P.Y)	8.7	8.7
	M.Babu Rao - 2,010,400 Shares (C.Y ) ..... 2,010,400 Shares ( P.Y)	5.52	5.52

**NOTE NO. 9 : OTHER EQUITY**

S. No.	Particulars	As on 31.03.2023 (In Lakhs)	As on 31-03-2022 (In Lakhs)
I	<b>RESERVES AND SURPLUS</b>		
	a) General Reserves		
	As at the commencement of the year	456.88	456.88
	Less: Transferred towards depreciation under Companies Act 2013		
		<b>456.88</b>	<b>456.88</b>
	b) Capital Reserve (Sharewarrants forfeited)	870.00	870.00
	<b>c) Retained Earnings :</b>		
	i) Opening Balance - Profit and Loss Account	3,228.64	2,213.47
	Add: Transfer from Profit & Loss Account	1,340.56	1,015.16
	Less: Amount transferred for issue of Bonus Shares		
		<b>4,569.19</b>	<b>3,228.64</b>
		<b>5,439.19</b>	<b>4,098.64</b>
	<b>Total Other Equity</b>	<b>5,896.08</b>	<b>4,555.52</b>

**NOTE NO. 10 : BORROWINGS -NON CURRENT**

S. No.	Particulars	As on 31.03.2023 (In Lakhs)	As on 31-03-2022 (In Lakhs)
	<b>Term Loans:</b>		
a	Term Loans from Banks :		
b	Other Loans		
	<b>Total Borrowings-Non Current</b>	<b>-</b>	<b>-</b>

**NOTE NO. 11 : PROVISIONS-NON CURRENT**

S. No.	Particulars	As on 31.03.2023	As on 31-03-2022
		(In Lakhs)	(In Lakhs)
	<b>Provisions for employee benefits</b>		
a	Provision for Gratuity-Non Current	786.49	759.21
b	Provision for Leave Encashment-Non Current	360.73	318.02
	<b>Total Provisions</b>	<b>1,147.22</b>	<b>1,077.23</b>

**NOTE NO. 12: DEFERRED TAX LIABILITY ( NET )**

S. No.	Particulars	As on 31.03.2023	As on 31-03-2022
		(In Lakhs)	(In Lakhs)
I	Opening Deferred tax Liability	409.33	356.49
	Add:	-	-
	Deferred Tax Liability for the year	(21.72)	52.84
	<b>Gross Deferred tax Liability</b>	<b>388</b>	<b>409</b>
	Opening Deferred tax Asset	142.95	142.95
	Deferred Tax Asset for the year	3.62	1.74
	<b>Gross Deferred tax Asset</b>	<b>146.57</b>	<b>144.70</b>
	<b>Deferred Tax Liability/ ( Asset ) - Net</b>	<b>241.04</b>	<b>264.64</b>

**NOTE NO. 13 : TRADE PAYABLES**

S. No.	Particulars	As on 31.03.2023	As on 31-03-2022
		(In Lakhs)	(In Lakhs)
a	Trade Payable Other than MSME	800.48	1,535.58
	<b>Total Trade Payables</b>	<b>800.48</b>	<b>1,535.58</b>

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

Particulars	As on 31.03.2023	As on 31.03.2022
<b>Dues to MSME*</b>		
- Less than 01 Year	-	-
- 1-2 Years	-	-
- 2-3 Years	-	-
- > 03 Years	-	-
<b>Others</b>		
- Less than 01 Year	780.93	1,535.58
- 1-2 Years	19.55	-
- 2-3 Years	-	-
- > 03 Years	-	-
<b>Total</b>	<b>800.48</b>	<b>1,535.58</b>

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

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

**NOTE NO. 14 : OTHER CURRENT LIABILITIES**

S.No.	Particulars	As on 31.03.2023	As on 31-03-2022
		(In Lakhs)	(In Lakhs)
a	Statutory dues Payable	145.38	112.59
b	Other Current Liabilities	3,004.12	383.32
c	Advance from Customers	55.77	64.66
d	Security Deposits Payable	24.06	24.06
e	Outstanding Expenses Payable	703.80	689.35
	<b>Total Other Current Liabilities</b>	<b>3,933.13</b>	<b>1,273.97</b>

**NOTE NO. 15 : PROVISIONS-CURRENT**

S.No.	Particulars	As on 31.03.2023	As on 31-03-2022
		(In Lakhs)	(In Lakhs)
a	Employee Benefits Payable	115.67	139.77
b	Provision for Gratuity-Current	56.51	25.49
c	Provision for Leave Encashment-Current	80.80	47.57
d	Audit fee Payable	4.35	4.35
e	Provision for Income Tax	369.85	461.47
f	Other Provisions	84.24	0.79
	<b>Total Provisions</b>	<b>711.43</b>	<b>679.45</b>

## CES LIMITED

Standalone Notes to Financial Statements for the year ended March 31, 2023

### NOTE NO. 16 : REVENUE FROM OPERATIONS

S.No.	Particulars	Year Ended 31.03.2023	Year Ended 31-03-2022
		(In Lakhs)	(In Lakhs)
(i)	<b>Revenue from operations</b>		
	Sale of Services		
a	Domestic Sales	83.44	100.79
b	Export Sales	20,287.82	16,564.38
	<b>Total Revenue from Operations</b>	<b>20,371.26</b>	<b>16,665.17</b>

### NOTE NO. 17 : OTHER INCOME

S.No.	Particulars	Year Ended 31.03.2023	Year Ended 31-03-2022
		(In Lakhs)	(In Lakhs)
a	Interest income	57.00	83.78
b	Rental Income	224.00	215.04
c	Other Income	1.88	-
d	Exchange Gain/Loss	247.77	55.49
	<b>Total Other Income</b>	<b>530.65</b>	<b>354.31</b>

### NOTE NO. 18 : EMPLOYEE BENEFITS EXPENSE

S.No.	Particulars	Year Ended 31.03.2023	Year Ended 31-03-2022
		(In Lakhs)	(In Lakhs)
a	Salaries & Wages	8,279.86	6,709.32
b	Contribution to Provident & Other Funds	719.52	543.21
c	Staff Welfare Expenses	139.94	93.29
	<b>Total Employee Benefit Expenses</b>	<b>9,139.32</b>	<b>7,345.82</b>

### NOTE NO. 19 : FINANCE COSTS

S.No.	Particulars	Year Ended 31.03.2023	Year Ended 31-03-2022
		(In Lakhs)	(In Lakhs)
a	Interest on Vehicle Loan	-	-
b	Interest on Loan	-	-
	<b>Total Finance Cost</b>	<b>-</b>	<b>-</b>

**NOTE NO. 20 : OTHER EXPENSES**

S.No.	Particulars	Year Ended 31.03.2023	Year Ended 31-03-2022
		(In Lakhs)	(In Lakhs)
a	Electricity Charges	119.28	54.55
b	Rent	85.47	85.47
c	Repairs to Buildings and Equipments	36.01	21.70
d	Insurance	145.37	118.72
e	Telephone, Postage and Others	71.43	59.49
f	Advertisement Expenses	1.13	2.02
g	Travelling & Conveyance Expenses	27.13	10.07
h	CSR Expenditure	25.51	18.43
i	Office Maintenance	110.41	92.19
j	Printing & Stationery Expenses	0.19	9.68
k	Security Charges	35.81	12.93
l	Rates & Taxes (Excluding Income Tax)	95.97	37.83
m	Computer Hire Charges	212.62	152.47
n	Professional and Consultancy fee	415.59	386.63
o	Job Portal Expenses	153.92	203.72
p	Outside Consultancy Fees	5,096.98	5,279.36
q	Bank Charges	5.19	4.08
r	Dues and Subscriptions	32.30	51.38
s	Exchange Loss/(Gain)	-	-
	<b>Payment to Auditors:</b>		
t	Audit fee	3.00	3.00
u	Business Promotion Expenses	-	-
v	Software cost	86.47	52.62
w	Sales & Marketing	3,436.58	694.84
x	Miscellaneous Expenses	-	1.63
y	Immigration Expenses	24.80	-
	<b>Total Other Expenses</b>	<b>10,221.15</b>	<b>7,352.79</b>

**NOTE NO. 21 : TAX EXPENSE**

S.No.	Particulars	Year Ended 31.03.2023	Year Ended 31-03-2022
		(In Lakhs)	(In Lakhs)
a	Income Tax-Current Year	370.60	476.55
b	Income Tax-Previous Years	37.20	(0.19)
c	Deferred Tax	(21.72)	52.84
	<b>Total Tax Expense</b>	<b>386.08</b>	<b>529.19</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 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.

The address of its registered office is 7th Floor, Tower A, Ramky Selenium, Nanakramguda, Gachibowli Hyderabad – 500032.

### 23. A) Basis of preparation of financial statements

#### i) Compliance with Ind AS

The financial statements have been prepared by Indian Accounting Standards (Ind AS) as per Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of the Companies Act 2013 (the ‘Act’) and other relevant provisions of the Act and accounting principles generally accepted in India.

#### ii) Basis of Preparation

These financial statements have been prepared on accrual and going concern basis of relevant Indian Accounting Standards (Ind AS) that are effective at the Company's annual reporting date, 31 March 2023. Accounting Policies have been applied consistently throughout the preparation of Financial Statements.

#### Current & Non-current Classification

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle as per paragraphs 66 and 69 of Ind AS 1 and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

#### Assets:

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily to be traded;
- c) it is expected to be realized within twelve months after the reporting date; or

d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

**Liabilities:**

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily to be traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current assets/liabilities, respectively. All other assets/ liabilities are classified as non-current.

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments, and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing, and financing activities of the Company are segregated. Cash and cash equivalents for the statement of cash flows comprise cash and cash on deposit with banks and financial institutions.

These financial statements have been prepared on the historical cost convention and an accrual basis.

The financial statements were authorised for issue by the Company's Board of Directors on May 30, 2023.

**iii) Use of Estimates and Judgements**

In the application of the Company's accounting policies, the management of the Company is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the

revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgments that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

### **Provision and contingent liability**

On an ongoing basis, the Company reviews pending cases, claims by third parties, and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

### **Useful lives of depreciable assets**

Management reviews the useful lives of depreciable assets at each reporting. As of March 31, 2023, management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to the previous year.

### **Revenue recognition**

The Company applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and is distinct in the context of the contract, if not, the promised product or service is combined and accounted as a single performance obligation. The Company allocates the Transaction Price to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost-plus margin approach in estimating the stand-alone selling price. The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed-price contracts. The percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial

reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, revenue recognized, profit, and timing of revenue for remaining performance obligations are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. Volume discounts are recorded as a reduction in revenue. When the amount of discount varies with the levels of revenue, a volume discount is recorded based on an estimate of future revenue from the customer.

## **23. B) Significant Accounting Policies Information**

### **(a) Functional and presentation currency**

These financial statements are presented in Indian rupees, which is the functional currency of the Company. The functional currency of an entity is the currency of the primary economic environment in which the entity operates.

All financial information presented in Indian Rupees (₹) has been rounded off to the nearest Lakhs, except otherwise stated.

### **(b) Foreign currency transactions and translation**

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences in monetary items are recognized in profit or loss in the period in which they arise.

### **(c) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at transaction values and where such values are different from the fair value, at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs are directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of profit and loss and are recognized immediately in the statement of profit and loss.

### **1) Financial Assets**

The Company's Financial Assets mainly comprise of;

- Current financial assets mainly consist of trade receivables, investments in liquid mutual funds, cash and bank balances, fixed deposits with banks and financial institutions, Income Tax Refunds, GST ITC, and other current receivables.
- Non-current financial assets mainly consist of financial investments in equity, fixed deposits, and non-current deposits.

#### **i) Initial Recognition and Measurement**

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument and is recognized at the transaction price. All regular purchases or sales of financial assets are recognized and derecognized on a trade date basis, i.e., the date that the Company commits to purchase or sell the asset.

#### **ii) Subsequent Measurement**

For purposes of subsequent measurement, financial assets are classified into the following categories:

##### **➤ Financial Assets at Amortized Cost;**

A Financial asset is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets in the amortized cost category are the most relevant to the Company. It comprises current financial assets such as trade receivables, cash and bank balances, fixed deposits with banks and financial institutions, other current receivables, and non-current financial assets such as non-current receivables and deposits.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment, if any, are recognized in the statement of profit and loss.

### **iii) Impairment**

By Ind AS 109, the Company applies Expected Credit Loss (ECL) model for the measurement and recognition of impairment loss on the following financial assets:

- Trade Receivables
- Other financial assets that are measured at amortized cost.

In the case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as a loss allowance.

In the case of other assets (listed as ii above), the Company determines if there has been a significant increase in the credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as a loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

## **2) Financial Liabilities and Equity Instruments**

### **a) Financial Liabilities**

The Company's Financial Liabilities mainly comprise;

- Current financial liabilities mainly consist of trade payables and liability for capital expenditure.

#### **i) Initial Recognition and measurement of Financial Liabilities**

The Company recognizes financial liability in its balance sheet when it becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized initially at transaction value. Financial liabilities are initially recognized and measured at amortized cost.

#### **ii) Derecognition of Financial Liability**

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

## **(d) Equity and share capital**

### **a) Share capital and securities premium**

The authorised share capital of the Company as of March 31, 2023, is ₹ 3,650 lacs divided into 3,65,00,000 equity shares of ₹10 each. The par value of the equity shares is recorded as share capital. Every holder of the equity shares, as reflected in the records of the

Company as at the date of the shareholder meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

***b) Capital Reserve***

Capital reserve amounting to ₹870 lacs (March 31, 2023) is not freely available for distribution.

***c) Retained earnings***

Retained earnings comprise the Company's undistributed earnings after taxes.

**(e) Property, plant, and equipment**

***i) Recognition and measurement***

Property, plant, and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost. Capital work-in-progress is measured at cost less accumulated impairment losses, if any.

***ii) Depreciation***

The Company depreciates property, plant, and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Leasehold improvements are amortised over the shorter estimated useful life of the asset or the related lease term. Term licenses are amortised over their respective contract term. Freehold land is not depreciated. The estimated useful life of assets is reviewed and where appropriate, are adjusted, annually. The estimated useful lives of assets are as follows:

Category	Useful life
Buildings	60 years
Office Equipment	5 years
Computer Equipment	3 years

Furniture, fixtures, and equipment	10 years
Vehicles	8 years

When parts of an item of property, plant, and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant, and equipment. Subsequent expenditure relating to property, plant, and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Deposits and advances paid towards the acquisition of property, plant, and equipment outstanding as of each reporting date are classified as capital advances under other non-current assets, and the cost of property, plant, and equipment not available for use before such date are disclosed under capital work-in-progress.

#### **(f) Goodwill and Intangible assets**

##### ***a) Goodwill***

The excess of the cost of an acquisition over the Company's share in the fair value of the acquiree's identifiable assets and liabilities is recognised as goodwill. If the excess is negative, a bargain purchase gain is recognised in equity as capital reserve. Goodwill is measured at cost less accumulated impairment (if any). Goodwill associated with the disposal of an operation that is part of a cash-generating unit is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained unless some other method better reflects the goodwill associated with the operation disposed of.

##### ***b) Intangible assets***

Intangible assets acquired separately are measured at the cost of acquisition. Intangible assets acquired in a business combination are measured at fair value as of the date of

acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.

The amortisation of an intangible asset with a finite useful life reflects how the economic benefit is expected to be generated.

#### **(g) Leases**

##### **The Company as a lessee**

The Company enters into an arrangement for the lease of land, buildings, plants, and equipment including computer equipment and vehicles. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to:

- a) control the use of an identified asset,
- b) obtain substantially all the economic benefits from the use of the identified asset, and
- c) direct the use of the identified asset

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

#### **h) Employee Benefits**

##### **Gratuity**

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

**Short-term employee benefits**

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

**Compensated absences**

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

**Provident Fund/ESI**

Contributions to defined Schemes such as Provident Fund/ESI are charged as incurred on an 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.

**(i) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of a past event, an outflow of economic benefits will probably be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset, if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value or lower than the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

#### **(j) Revenue**

The Company earns revenue primarily from providing IT services, IT Enabled Services, consulting, and business solutions. The Company offers a consulting-led, cognitive-powered, integrated portfolio of IT and IT Enabled business solutions.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to performing their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognised as and when services are performed to customers in an amount that reflects the consideration the Company expects to receive (the “Transaction Price”). Revenue towards satisfaction of the performance obligation is measured at the amount of the Transaction Price (net of variable consideration on account of discounts and allowances) allocated to that performance obligation. To recognise revenues, the Company applies the following five-step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the Transaction Price, (4) allocate the Transaction Price to the performance obligations in the contract, and (5) recognise revenues when a performance obligation is satisfied. When

there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

At contract inception, the Company assesses its promise to render services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each service promised to a customer is capable of being distinct, and is distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. The Company allocates the Transaction Price to separately identifiable performance obligations based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on the expected cost-plus margin approach in estimating the stand-alone selling price.

For performance obligations where control is transferred over time, revenues are recognised by measuring progress toward completion of the performance obligation. The selection of the method to measure progress toward completion requires judgment and is based on the nature of the promised services to be provided. The method for recognising revenues and costs depends on the nature of the services rendered:

**A. Time and materials contracts**

Revenues and costs relating to time and materials contracts are recognised as the related services are rendered.

**B. Fixed price contracts**

*i) Fixed-price development contracts*

Revenues from fixed-price development contracts, where the performance obligations are satisfied over time, are recognised using the “percentage-of-completion” method. The performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses. The percentage of completion is determined based on project costs incurred to date as a percentage of the total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress toward completion as there is a direct relationship between input and productivity. If the Company is not able to reasonably measure the progress of completion, revenue is recognised only to the extent of costs

incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognised in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates as an onerous contract provision.

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on fixed-price development contracts and are classified as non-financial assets as the contractual right to consideration is dependent on the completion of contractual milestones.

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

#### ***ii) Maintenance contracts***

Revenues related to fixed-price maintenance contracts are recognised on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customers and the cost to fulfill the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive.

Revenue for contracts in which the invoicing is representative of the value being delivered is recognized based on our right to invoice. If our invoicing is not consistent with the value delivered, revenues are recognised as the service is performed using the percentage of completion method. In certain projects, a fixed quantum of service or output units is agreed upon at a fixed price for a fixed term. In such contracts, revenue is recognized concerning the actual output achieved to date as a percentage of total contractual output. Any residual service unutilized by the customer is recognised as revenue on completion of the term.

#### **C. Others**

- Any change in scope or price is considered a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that

are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the stand-alone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the stand-alone selling price.

- The Company accounts for variable considerations like volume discounts, rebates, and pricing incentives to customers and penalties as a reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using the expected value method or the single most likely amount in a range of possible considerations depending on which method better predicts the amount of consideration to which the Company may be entitled and when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

- Revenues are shown net of allowances/ returns, goods and services tax, and applicable discounts.

- Estimates of the Transaction Price and total costs or efforts are continuously monitored over the term of the contract and are recognized in net profit in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses.

- Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognised as an asset when the Company expects to recover these costs.

- The Company recognizes contract fulfillment cost as an asset if those costs are specifically related to a contract or an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in the future, and the costs are expected to be recovered.

- Costs to obtain a contract relating to upfront payments to customers are amortized to revenue and other costs to obtain a contract and costs to fulfill a contract are amortized to cost of sales over the respective contract life on a systematic basis consistent with the percentage of services rendered to the customer to which the asset relates.

- The Company assesses the timing of the delivery of services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer of deliverables is twelve months or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.
- Unbilled receivables are classified as financial assets where the right to consideration is unconditional and only the passage of time is required before the payment is due.

#### **(k) Income tax**

Income tax comprises current and deferred tax. Income tax expense is recognised in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognised in equity or other comprehensive income.

##### ***a) Current income tax***

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. Current income tax (including Minimum Alternate Tax (MAT)) is measured at the amount expected to be paid to the tax authorities by the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the current tax amounts are those that are enacted or substantively enacted as of the reporting date and applicable for the period. Current income tax payable by overseas branches of the Company is computed by the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income. While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set

off the recognised amounts and where it intends either to settle on a net basis or to realize the assets and liability simultaneously.

***b) Deferred income tax***

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in these standalone financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences that are expected to reverse within the tax holiday period, taxable temporary differences associated with investments in subsidiaries, associates, and foreign branches where the timing of the reversal of the temporary difference can be controlled and, probably, the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity or on different taxable entities where there is a right and an intention to settle the current tax

liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

**(l) Earnings per share**

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held.

**(m) 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.

The company reports its financial statements for the geographies of India and the USA, and also for the IT and ITES segments.

**STANDALONE NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023:**

**24. Expenditure in foreign currency:**

	<b>Year Ended 31.03.2023 (Lakhs)</b>	<b>Year Ended 31.03.2022(Lakhs)</b>
Foreign travelling	Nil	Nil
Earning in foreign exchange as reported by the Company to the Government of India and as certified by the management.		

	<b>Year Ended 31.03.2023(Lakhs)</b>	<b>Year Ended 31.03.2022(Lakhs)</b>
Foreign exchange inflow	19,679.72	16,422.13

**25. Disclosure by the IND AS 19 on Employee Benefits**

**a) Defined Contribution Plans**

<b>Particulars</b>	<b>Amount (Lakhs.)</b>
Contribution to Recognized Provident Fund	131.05
Contribution to Employee's State Insurance	5.58
<b>TOTAL</b>	<b>136.63</b>

**b) Defined Benefit Plan-Gratuity**

<b>Particulars</b>	<b>Amount in Lakhs.</b>
Present Value of Obligations at the Beginning	784.71
Current Service Cost	146.84
Interest Cost	45.19
Benefits paid	(30.29)
Actuarial (Gain)/Loss	(103.45)
<b>Present Value of Obligations at the end of the year</b>	<b>843.00</b>

c) The components of net gratuity costs are reflected below

Particulars	Amount in Lakhs.
Service Cost	146.84
Interest Cost	45.19
Net Actuarial Gain/ (Loss) Recognized in the year	103.45
<b>Net gratuity costs</b>	<b>88.58</b>

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

Particulars	Gratuity
Discount Rate	7.48-7.56%
Compensation Escalation Rate	10.00%

e) Defined Benefit Plan-Leave Encashment

Particulars	Amount in Lakhs.
Present Value of Obligations at the Beginning	365.59
Current Service Cost	321.41
Interest Cost	28.98
Benefits paid	(228.73)
Actuarial (Gain)/Loss	(45.72)
<b>Present Value of Obligations at the end of the year</b>	<b>441.53</b>

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

Particulars	Amount in Lakhs.
Service Cost	321.41
Interest Cost	28.98
Net Actuarial Gain/ (Loss) Recognized in the year	45.72
<b>Net leave encashment costs</b>	<b>304.67</b>

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

Particulars	Leave Encashment
Discount Rate	7.48-7.76%
Compensation Escalation Rate	10.00%

## 26. Related Party Disclosures

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

### Related Parties Details

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

### Transactions with Related Parties:

( Amount in Lakhs)

S. No	Nature of Transactions*	2022-23	2021-22
<b>1</b>	<b>Revenue</b>		
	CES Global LLC	253.33	90.29
	CES Enterprise LLC	438.05	252.20
	CES USA Inc	48.36	60.68
	Ample IT Service	33.19	24.64
	CES IT Private Limited	-	56.62
<b>2</b>	<b>Rent Received</b>		
	CES Global IT Solutions Pvt Ltd	112.80	112.80
	CES IT Private Limited	6.00	6.00

<b>3</b>	<b>Cost of Sales</b>		
	CES Global LLC	57.36	36.28
	CES IT Private Limited	1,616.58	869.36
	CES USA Inc	-	120.65
	CES Technology Services Pvt Ltd	-	-
<b>4</b>	<b>Accounts Receivables</b>		
	CES Global IT Solutions Pvt Ltd	-	-
	CES IT Private Limited	82.59	79.35
	Ample IT Services	2.47	-
	CES Global LLC	7.74	19.71
	CES Enterprise LLC	9.81	2.91
	CES USA Inc	4.44	3.18
<b>5</b>	<b>Accounts Payable</b>		
	CES IT Private Limited	508.95	333.24
	CES USA Inc	36.38	58.11
	CES Technology Services Pvt Ltd	(2.31)	0.30
	CES Global IT Solutions Pvt Ltd	1,521.43	360.65
<b>6</b>	<b>Unbilled Revenue</b>		
	CES Global LLC	20.04	8.11
	CES Enterprise LLC	36.25	14.49
	CES USA Inc	-	-
<b>7</b>	<b>Accrued Outside Services</b>		
	CES IT Private Limited	203.63	148.70
	CES Global LLC	3.33	3.07
<b>8</b>	<b>Key Managerial personnel</b>		
	Mohana Rao Kancharla	18.81	18.81
	Srinivas Raju Kucherlapati	21.80	19.73
	Suraj Kumar Garg	9.18	4.56

27. The Companies operations 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 for segments are categorized based on items that are individually identifiable to that segment, while the remainder 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 meaningful segregation is not possible.

**BUSINESS SEGMENTS:**

**(Amount in Lakhs)**

<b>Profit and Loss Statements for the year ended 31<sup>st</sup> March 2023</b>	<b>IT Services</b>	<b>IT Enabled Services</b>	<b>Total</b>
Revenues	7,011.34	13,359.92	20,371.26
Direct Expenses	3,145.55	5,993.76	9,139.31
<b>Gross Income</b>	<b>3,865.79</b>	<b>7,366.16</b>	<b>11,231.95</b>
Less: Un-allocated Expenses			10,481.56
<b>Add: Interest &amp; Other Income</b>			<b>530.65</b>
<b>Net Profit Before Taxes</b>			<b>1,281.04</b>
Income Taxes			386.09
<b>Net Profit After Taxes</b>			<b>894.96</b>

**GEOGRAPHICAL SEGMENTS:**

**(Amount in Lakhs)**

<b>Profit and Loss Statements for the year ended 31<sup>st</sup> March 2023</b>	<b>USA</b>	<b>DOMESTIC</b>	<b>Total</b>
Revenues	20,287.82	83.44	20,371.26
Direct Expenses	9,098.88	40.43	9,139.31
<b>Gross Income</b>	<b>11,188.94</b>	<b>43.01</b>	<b>11,231.95</b>
Less: Un-allocated Expenses			10,481.56
<b>Add: Interest &amp; Other Income</b>			<b>530.65</b>
<b>Net Profit Before Taxes</b>			<b>1,281.04</b>
Income Taxes			386.09
<b>Net Profit After Taxes</b>			<b>894.96</b>

**28. Calculation of EPS as per Ind AS -33 for the year ending 31<sup>st</sup> March 2023**

<u>Amount in Lakhs</u>		
Profit available to the equity shareholders (a)		894.96
Weighted average number of shares outstanding (b)		364.00
Basic Earnings per Share	(a/b)	2.46
Diluted Earnings per Share	(a/b)	2.46

**29. Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, health care, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief, and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized throughout the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

Particulars	Amount in Lakhs	
	As at March 31, 2023	March 31, 2022
Amount required to be spent by the company during the year	25.51	18.43
Amount of expenditure incurred	25.51	18.43
Shortfall at the end of the year	-	-
Total of the previous year's shortfall	-	-
Reason for shortfall	-	-

Nature of CSR activities,	Eradication of hunger and malnutrition, promotion of education, art, and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, Covid-19 relief, and rural developments	
Details of related party transactions, e.g., contribution to a trust controlled by the company about CSR expenditure as per relevant Accounting Standards*	25.51	18.43
Where a provision is made concerning a liability incurred by entering into a contractual obligation, the movements in the provision	Not Applicable	Not Applicable

\* Represents contribution to CES Foundation a controlled trust.

30. The management has initiated the process of identifying enterprises that have provided services to the company, and which qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006. The company has not received any intimation from its vendors regarding their status under the Micro, Small, and Medium Enterprises Development Act, 2006. Further in the view of the management, the impact of interest, if any, that may be payable by the provisions of the Act is not expected to be material.
31. There has been no impact on the operations and financial position of the company on account of the outbreak of the COVID-19 pandemic and consequential lock-down restrictions imposed by the Government.
32. During the financial year 2022-23 there are no transactions with struck-off companies under section 248 or 560 of the Companies Act, 2013.
33. The Company has complied with the no. of layers prescribed under clause (87) of Section 02 of the act read with the Companies (Restriction on the number of layers) Rules, 2017.

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

#### 41. Ratios

Ratios	Numerator	Denominator	Current year	Previous year	Variance (in %)
Current ratio (in times)	Total current assets	Total current liabilities	2.03	2.16	(6.09)
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities*	Total Equity	N.A	N.A	-

Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments*	N.A	N.A	-
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	10.09%	19.47%	15.40
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	5.99	5.51	8.76
Trade payables turnover ratio (in times)	Purchase of Services and other expenses	Average trade payables	8.89	8.83	0.68
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e., Total current assets less Total current liabilities)	4.22	5.38	(21.53)
Net profit ratio (in %)	Profit for the year	Revenue from operations	4.39%	8.98%	-4.59%
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Tangible Net worth + Lease liabilities + Deferred tax liabilities	13.14%	24.11%	-10.97%
Return on investment (in %) -Unquoted	Income generated from invested funds	Average invested funds in treasury investments	95%	180%	- 85.24%^

\* The company does not have any borrowings and lease liabilities

^ Current year Profit from subsidiaries is decreased for the year, hence ROI was decreased

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

**SIGNATURES TO NOTES 1 To 42**

**As per our report of even date**

**For P. Murali & Co,  
Chartered Accountants  
Firm Registration No. 007257S**

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

**M V Joshi  
Partner  
Membership No. 024784**

**Mohana Rao Kancharla  
Director  
DIN: 00004288**

**Rama Krishna S  
Director  
DIN:01825682**

**Place: Hyderabad  
Date: 30<sup>th</sup> May 2023**

**Srinivas Kucherlapati  
Chief Financial Officer**

**Suraj Kumar Garg  
Company Secretary**

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Audit of Consolidated IND AS Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated Ind AS financial statements of **CES LIMITED** ("the holding Company"), subsidiaries (the holding Company and its subsidiaries together referred to as "the Group") comprising the Consolidated Balance Sheet as at March 31, 2023, 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, 2023, the consolidated Profit, consolidated total comprehensive Income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### **Basis for Opinion**

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

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

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

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

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

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

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

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

## **Other Matters**

The consolidated Financial Results include the audited Financial Results of One subsidiary, whose Financial Statements reflect Group's share of total assets of Rs.12,615.95 Lakhs as at 31st March 2023, Group's share of total revenue before elimination of Rs. 4,755.80 Lakhs and Rs. 20,096.89 Lakhs and Group's share of total net profit after tax of Rs. (636.96) Lakhs and Rs. 244.19 Lakhs and total comprehensive income of Rs. (637.67) lakhs and Rs. 241.71 lakhs for the quarter ended 31st March 2023 and for the period from 01-04-2022 to 31-03-2023 respectively, as considered in the consolidated Financial Results, which have been audited by its independent auditor. The independent auditors' report on financial statements of this entity 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 this entity, is based solely on the report of such auditor and the procedures performed by us are as stated in paragraph above.

## **Report on Other Legal and Regulatory Requirements**

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act and the relevant rules issued there under.

- e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2023, 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, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the companies included in the group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
- g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Group has no pending litigations which would impact on its financial position
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the companies included in the group
  - iv. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or group companies to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

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

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

**M V Joshi**  
**Partner**  
**M.No. 024784**

**Place: Hyderabad**  
**Date: 30-05-2023**

**“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 31<sup>st</sup> March 2023, 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 those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted principles, and that receipts and expenditures are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS Financial Statements.

## **Inherent Limitation of Internal Financial Controls over Financial Reporting**

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

## **Opinion**

In our opinion, the holding company, its subsidiaries, which are companies incorporated in India, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2023, 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. Murali & Co.**  
**Chartered Accountants**  
**FRN: 007257S**

**M V Joshi**  
**Partner**  
**M.No. 024784**

**Place: Hyderabad**  
**Date: 30-05-2023**

**CES LIMITED**

**Consolidated Balance Sheet as at March 31, 2023**

Particulars	Note No	Consolidated	Consolidated
		As on 31-03-2023	As on 31-03-2022
		(In Lakhs)	(In Lakhs)
<b>ASSETS:</b>			
<b>1 Non-Current Assets:</b>			
(a) Property, Plant and Equipment	1	3,781.01	3,983.49
(b) Capital Work-in-progress	1	155.51	34.29
(c) Intangible Assets	1	854.24	1,020.60
(d) Goodwill on Consolidation		655.49	655.49
<b>(e) Financial Assets:</b>			
(i) Other Non Current Assets	2	816.42	741.11
(f) Deferred Tax Asset	11	101.98	78.00
<b>2 Current Assets:</b>			
<b>(a) Financial Assets:</b>			
(i) Trade Receivables	3	8,473.58	7,196.09
(ii) Cash and Cash Equivalents	4	14,416.06	11,176.96
(iii) Loans	5	2,206.75	1,693.84
(b) Other Current Assets	6	50.07	70.71
<b>Total</b>		<b>31,511.12</b>	<b>26,650.58</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	7	3,640.00	3,640.00
(b) Other Equity	8	13,997.84	11,426.50
(c) Minority Interest		1,322.95	1,080.71
<b>Liabilities</b>			
<b>2 Non-Current Liabilities</b>			
<b>(a) Financial Liabilities:</b>			
(i) Borrowings	9	498.67	341.13
(b) Provisions	10	1,661.41	1,407.66
(c) Deferred Tax Liabilities (Net)	11	241.13	264.72
<b>3 Current Liabilities</b>			
<b>(a) Financial Liabilities:</b>			
(i) Short Term Borrowings	12	860.29	-
(ii) Trade Payables	13	1,612.43	2,297.07
(b) Other Current Liabilities	14	4,829.07	3,738.88
(c) Provisions	15	2,847.34	2,453.92
<b>Total</b>		<b>31,511.12</b>	<b>26,650.58</b>

**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 Murali & Co,  
Chartered Accountants  
Firm Regn. No: 007257S

For and on behalf of the Board  
CES Limited

M V Joshi  
Partner  
Membership No. 024784

Mohana Rao K  
Director  
DIN: 00004288

Rama Krishna S  
Director  
DIN: 01825682

Place : Hyderabad  
Date : 30-05-2023

Srinivasa Raju K  
C.F.O

Suraj Garg  
Company Secretary

**CES LIMITED**

**Consolidated Statement of Profit and Loss for the Period Ended March 31, 2023**

Particulars	Note No	Consolidated 31-03-2023	Consolidated 31-03-2022
		(In Lakhs)	(In Lakhs)
I. Revenue from Operations	16	42,645.23	39,345.07
II. Other Income	17	623.02	718.51
<b>III. Total Income (I +II)</b>		<b>43,268.26</b>	<b>40,063.58</b>
<b>IV. Expenses:</b>			
Employee Benefits expense	18	21,548.87	17,597.92
Finance costs	19	45.63	15.93
Depreciation and amortization expense	1	441.56	543.35
Other Expenses	20	18,380.18	17,194.96
<b>IV. Total Expenses</b>		<b>40,416.23</b>	<b>35,352.17</b>
V. Profit before exceptional and extraordinary items and tax ( III - IV)		<b>2,852.03</b>	<b>4,711.41</b>
VI. Exceptional Items			
VII. Profit before extraordinary items and tax (V - VI)		<b>2,852.03</b>	<b>4,711.41</b>
VIII. Extraordinary Items		-	-
V. Profit/(Loss) before exceptional items and tax (III - IV)		<b>2,852.03</b>	<b>4,711.41</b>
VI. Exceptional Items		-	-
VII. Profit/(Loss) before tax (V-VI)		<b>2,852.03</b>	<b>4,711.41</b>
VIII. Tax expense:			
(i) Current tax	21	941.97	1,114.52
(iv) Deferred tax		(41.37)	39.26
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)		<b>1,951.43</b>	<b>3,557.63</b>
X. Other Comprehensive Income.			
<b>A. Items that will not be reclassified subsequently to Profit or Loss</b>			
(i) Remeasurement of defined employee benefit plans (net of tax)		215.50	(520.03)
<b>B. Items that will be reclassified to subsequently to Profit or Loss</b>			
(i) Exchange differences on foreign currency transactions ( net of tax)		293.95	1.23
<b>Total Comprehensive Income for the period</b>		<b>2,460.89</b>	<b>3,038.83</b>
XI. Attributable to			
Shareholders of the Company		2,293.37	2,824.07
Non-Controlling Interests		167.51	214.75
XII. Earnings per equity share (for continuing operation):			
(1) Basic		5.36	9.77
(2) Diluted		5.36	9.77

**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 Murali & Co,  
Chartered Accountants  
Firm Regn. No: 007257S

For and on behalf of the Board  
CES Limited

M V Joshi  
Partner  
Membership No. 024784

Mohana Rao K  
Director  
DIN: 00004288

Rama Krishna S  
Director  
DIN: 01825682

Place : Hyderabad  
Date: 30-05-2023

Srinivasa Raju K  
C.F.O

Suraj Garg  
Company Secretary

CES LIMITED

Consolidated Statement of Changes in Equity for the period ended 31st March, 2023

(In Lakhs)

Particulars	Reserves & Surplus				Other Comprehensive		Non Controlling Interest	Total Equity attributable to equity holders of the	Total Equity
	Equity Share Capital	Retained Earnings	General Reserve	Capital Reserve	Translation Reserve	Other Items			
<b>Balance as at 01-04-2021</b>	3,640.00	7,393.12	456.88	870.00	174.98	(366.67)	834.51	12,168.32	13,002.83
Profit for the period	-	3,342.87	-	-	-	-	214.75	3,342.87	3,557.63
Remeasurement of Net defined benefit Liability/ Asset	-	-	-	-	-	(520.03)	-	(520.03)	(520.03)
Exchange gain/(Loss) on foreign currency transactions	-	-	-	-	74.11	1.23	-	75.34	75.34
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-
Non Controlling interest acquired during the year	-	-	-	-	-	-	-	-	-
Non Controlling interest Paid for the year	-	-	-	-	-	-	31.44	-	31.44
<b>Balance as at 31-03-2022</b>	<b>3,640.00</b>	<b>10,735.99</b>	<b>456.88</b>	<b>870.00</b>	<b>249.09</b>	<b>(885.47)</b>	<b>1,080.71</b>	<b>15,066.50</b>	<b>16,147.20</b>
Profit for the period	-	1,783.92	-	-	-	-	167.81	1,783.92	1,951.73
Remeasurement of Net defined benefit Liability/ Asset	-	-	-	-	-	215.50	-	215.50	215.50
Exchange gain/(Loss) on foreign currency transactions	-	-	-	-	277.97	293.95	-	571.92	571.92
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-
Non Controlling interest acquired during the year	-	-	-	-	-	-	-	-	-
Net Non Controlling interest Paid during the year	-	-	-	-	-	-	74.43	-	74.43
<b>Balance as at 31-03-2023</b>	<b>3,640.00</b>	<b>12,519.91</b>	<b>456.88</b>	<b>870.00</b>	<b>527.06</b>	<b>(376.01)</b>	<b>1,322.95</b>	<b>17,637.84</b>	<b>18,960.79</b>

**CES LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023**

Particulars	Year Ended 31-03-2023 (In Lakhs)	Year Ended 31-03-2022 (In Lakhs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit After Tax	1,951.43	3,557.63
Adjustments for:		-
Interest Paid	45.63	15.93
Tax Expense	941.97	1,153.78
Interest Received	(113.05)	(213.71)
Rental Income	(105.20)	(96.24)
Depreciation	441.56	543.35
Operating Profit before working capital changes	3,162.33	4,960.74
Adjustments for:		-
Trade and other receivables	(1,277.49)	(616.13)
Short Term Loans and Advances	(512.91)	(49.10)
Other Current Liabilities	1,090.19	(1,506.78)
Short Term Provisions	1,335.38	(698.92)
Long Term Provisions	253.75	647.85
Trade Payables	(684.64)	1,364.67
Other Current assets	20.63	(49.52)
Other Non Current Assets	71.51	(70.20)
Cash generated from operations	3,458.75	3,982.61
Direct taxes	(941.97)	(1,114.52)
Cash flow before extraordinary items	2,516.79	2,868.09
Extraordinary items	-	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2,516.79</b>	<b>2,868.09</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(193.94)	(103.01)
Proceeds from Investments/ Other Non Current Assets	(10.91)	(55.12)
Proceeds/(Repayment) of Loan	157.53	(25.42)
Interest Received	113.05	213.71
Rental Income	105.20	96.24
Translation Adjustments	522.58	627.94
Proceeds in Minority Equity	74.43	31.44
Net Cash Used In Investing Activities	767.93	785.78
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Interest paid	(45.63)	(15.93)
Long Term Liabilities	-	-
Long Term Loans and Other Financial Assets	-	-
Net Cash Flow From Financing Activities	(45.63)	(15.93)
<b>NET INCREASE\ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,239.09</b>	<b>3,637.94</b>
Cash and Cash equivalents ( Opening Balance)	11,176.96	7,539.02
Cash and Cash equivalents ( Closing Balance)	14,416.06	11,176.96

**AS PER OUR REPORT OF EVEN DATE**

**For P Murali & Co,  
Chartered Accountants  
Firm Regn. No: 007257S**

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

**M V Joshi  
Partner  
Membership No. 024784**

**Mohana Rao K      Rama Krishna S  
Director              Director  
DIN: 00004288      DIN: 01825682**

**Place : Hyderabad.  
Date : 30-05-2023**

**Srinivasa Raju K      Suraj Garg  
C.F.O                  Company Secretary**

## Consolidated Notes to Financial Statements for the Year ended March 31, 2023

## NOTE NO. 2 : OTHER NON CURRENT ASSETS

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2023	As on 31-03-2022
		(In Lakhs.)	(In Lakhs.)
I	<b>Other Financial Assets:</b>		
	a) Security Deposit		
	- Secured, Considered Good	137.88	122.92
	b) Statutory dues Receivable	329.61	416.07
	c) Loan to Director	213.04	202.13
	d) Right of use Asset- Operating Lease	135.89	-
	<b>Total Financial Assets-Non Current</b>	<b>816.42</b>	<b>741.11</b>

## NOTE NO. 3 : TRADE RECEIVABLES

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2023	As on 31-03-2022
		(In Lakhs.)	(In Lakhs.)
I	Unsecured, Considered Good	8,440.33	7,164.47
	Doubt ful Debts	33.25	31.63
	<b>Total Trade Receivables</b>	<b>8,473.58</b>	<b>7,196.09</b>

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

S. No.	Particulars	As on 31.03.2023	As on 31.03.2022
I	<b>Undisputed -Considered good</b>		
	- Less than 06 Months	8,369.72	7,140.75
	- 6 Months - 01 Year	66.86	17.21
	- 1 -2 Years	-	6.50
	- 2-3 Years	3.74	-
	- > 03 Years	-	-
II	<b>Undisputed -Considered Doubtful</b>		
	- Less than 06 Months	7.85	-
	- 6 Months - 01 Year	4.63	10.77
	- 1 -2 Years	-	-
	- 2-3 Years	2.12	2.21
	- > 03 Years	18.65	18.65
	<b>Total</b>	<b>8,473.58</b>	<b>7,196.09</b>

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

## NOTE NO. 4 : CASH AND CASH EQUIVALENTS

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2023	As on 31-03-2022
		(In Lakhs.)	(In Lakhs.)
I	<b>Cash and cash equivalents :</b>		
	a) Balances with banks :		
	1) On Current Accounts	12,839.27	8,478.11
	2) Bank deposits with more than 12 months maturity	-	-
	3) Bank deposits with less than 12 months maturity	1,575.56	2,697.38
	b) Cash on hand	1.23	1.47
	<b>Total Cash and Cash Equivalents</b>	<b>14,416.06</b>	<b>11,176.96</b>

## NOTE NO. 5 : LOANS - CURRENT

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2023	As on 31-03-2022
		(In Lakhs.)	(In Lakhs.)
I	<b>Unsecured, Considered Good</b>		
	Loans and Advances to Employees	58.27	13.75
	Prepaid Expenses	731.96	424.24
	Advance for Expenses	-	-
	GST Input Credit	494.39	325.82
	Foreign Tax Credit	-	-
	Advance Tax and TDS Receivable	856.48	914.45
	Other Loans/Advances	65.65	15.58
	<b>Total Loans and Advances</b>	<b>2,206.75</b>	<b>1,693.84</b>

## NOTE NO. 6 : OTHER CURRENT ASSETS

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2023	As on 31-03-2022
		(In Lakhs.)	(In Lakhs.)
I	Rent Receivables	0.16	5.29
	Other Current Assets	49.91	65.41
	<b>Total Other Current Assets</b>	<b>50.07</b>	<b>70.70</b>

**CES LIMITED**

NOTE NO. 1 : PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS AS AT 31-03-2023

( In Lakhs )

Sl. No.	Particulars	Gross Block				Depreciation/Amortization				Net Block as on 31-03-2023	Net Block as on 31-03-2022
		As on 01.04.2022	Additions during the Year	Adjustment/ Deletions	As on 31-03-2023	Dep. As on 01.04.2022	Adjustment/ Deletions	Depreciation for the Year	Total Depreciation		
	<b>PROPERTY, PLANT AND EQUIPMENT:</b>										
1	BUILDINGS (HYDERABAD)	2,534.24	-	-	2,534.24	286.22	-	82.52	368.75	2,165.50	2,248.02
2	COMPUTERS & SOFTWARE	2,933.77	30.38	-	2,964.14	2,826.46	-	52.94	2,879.40	84.75	107.30
3	OFFICE EQUIPMENT	705.68	12.77	-	718.44	616.54	-	46.36	662.90	55.55	89.14
4	FURNITURE AND FIXTURES	814.42	-	-	814.42	432.30	-	68.36	500.66	313.76	382.12
5	MOTOR VEHICLES	58.67	29.58	-	88.25	54.02	-	5.62	59.64	28.61	4.65
6	LEASE HOLD LAND (SIPCOT)	25.04	-	-	25.04	4.13	-	0.25	4.39	20.65	20.91
7	BUILDING (SIPCOT)	313.46	-	-	313.46	54.97	-	4.82	59.79	253.67	258.49
8	BUILDINGS (VIZAG) - BLOCK 1	929.95	-	-	929.95	55.21	-	14.71	69.93	860.03	874.74
		-	-	-	-	-	-	-	-	-	-
	<b>INTANGIBLE ASSETS:</b>										
1	GOODWILL	1,585.93	-	-	1,585.93	567.21	-	165.98	733.18	852.74	1,018.72
		-	-	-	-	-	-	-	-	-	-
	<b>CAPITAL WORK IN PROGRESS</b>										
1	BUILDINGS (VIZAG) - BLOCK 2	34.29	7.94	-	42.23	-	-	-	-	42.23	34.29
2	SIPCOT II	-	113.28	-	113.28	-	-	-	-	113.28	-
	<b>TOTAL</b>	<b>9,935.45</b>	<b>193.94</b>	<b>-</b>	<b>10,129.39</b>	<b>4,897.07</b>	<b>-</b>	<b>441.56</b>	<b>5,338.63</b>	<b>4,790.76</b>	<b>5,038.38</b>
	<b>PREVIOUS YEAR</b>	<b>9,832.44</b>	<b>103.01</b>	<b>-</b>	<b>9,935.45</b>	<b>4,353.72</b>	<b>-</b>	<b>543.35</b>	<b>4,897.07</b>	<b>5,038.38</b>	<b>5,478.72</b>

Capital Work in Progress (CWIP) ageing schedule for the year ended as on 31-03-2023 is as follows:

S.No	Particulars	Outstanding for following periods from due date of Payment				Total
		Less than 01 Year	1-2 Years	2-3 Years	More than 03 Years	
(i)	Projects in progress	121.22	0.58	10.11	23.60	155.51
(ii)	Projects temporarily Suspended	-	-	-	-	-

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

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

**CES LIMITED**

**Consolidated Notes to Financial Statements for the Period Ended March 31, 2023**

**NOTE NO. 7 : EQUITY SHARE CAPITAL**

S.No.	Particulars	Consolidated	Consolidated
		As on 31-03-2023 (In Lakhs.)	As on 31-03-2022 (In Lakhs.)
<b>I</b>	<b>Equity Share Capital</b>		
	(a) Authorised (3,65,00,000 Shares of 10/- each Current Year ) (3,65,00,000 Shares of 10/- each Previous Year )	3,650.00	3,650.00
		<b>3,650.00</b>	<b>3,650.00</b>
	(b) Issued [3,64,00,000 Shares of 10/- each Current Year (3,64,00,000 Shares of 10/- each Previous Year )	3,640.00	3,640.00
	(c) Subscribed & Fully Paid Up [3,64,00,000 Shares of 10/- each Current Year (3,64,00,000 Shares of 10/- each Previous Year )	3,640.00	3,640.00
	<b>Total Equity Share capital</b>	<b>3,640.00</b>	<b>3,640.00</b>
<b>II</b>	<b><u>A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:</u></b>		
	<b>Equity Shares of Rs.10Each, Fully paid up</b>		
	At the Beginning	364.00	364.00
	Issued during the year	-	-
	At the end	<b>364.00</b>	<b>364.00</b>
<b>III</b>	<b><u>Details of Shareholder holding more than 5% shares of the company:</u></b>		
	<b>Equity Shares of Rs. 10 each Held By</b>		
	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 31-03-2023 (In Lakhs)	As on 31-03-2022 (In Lakhs)
<b>I</b>	<b>RESERVES AND SURPLUS</b>		
	a) General Reserves		
	As at the commencement of the year	456.88	456.88
		<b>456.88</b>	<b>456.88</b>
	b) Capital Reserve (Sharewarrants forfeited)	870.00	870.00
	c) Revaluation Reserve	-	-
	d) Retained Earnings :		
	i) Opening Balance - Profit and Loss Account	9,850.52	7,026.45
	Add: Transfer from Profit & Loss Account	2,460.89	3,038.83
	Less: Transfer To Minority Interest	(167.51)	(214.75)
	Add: Transfer from Minority Interest	-	-
	Less: Transfer for Issue of Bonus Shares	-	-
		<b>12,143.90</b>	<b>9,850.52</b>
	Translation Adjustment	527.06	249.09
	<b>Total Other Equity</b>	<b>13,997.84</b>	<b>11,426.50</b>
	Minority Interest	<b>1,322.95</b>	<b>1,080.71</b>

**NOTE NO. 9 : BORROWINGS - NON CURRENT**

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2023 (In Lakhs)	As on 31-03-2022 (In Lakhs)
<b>I</b>	<b>a) Other Loans</b>	369.98	341.13
	<b>b) Lease Liabilities</b>	128.69	-
	<b>Total Borrowings</b>	<b>498.67</b>	<b>341.13</b>

**NOTE NO. 10 : PROVISIONS-NON CURRENT**

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2023	As on 31-03-2022
		(In Lakhs)	(In Lakhs)
I	a) Provisions for employee benefits		
	- Provision for Gratuity	1,095.76	967.43
	- Provision for Leave Encashment	565.65	440.24
	<b>Total Non Current Provisions</b>	<b>1,661.41</b>	<b>1,407.66</b>

**NOTE NO. 11: DEFERRED TAX LIABILITY ( NET )**

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2023	As on 31-03-2022
		(In Lakhs)	(In Lakhs)
I	Opening Deferred tax Liability	409.41	356.51
	Add:	-	-
	Deferred Tax Liability for the year	(35.32)	55.62
	<b>Gross Deferred tax Liability</b>	<b>374.09</b>	<b>412.13</b>
	Opening Deferred tax Asset	220.95	175.47
	Add: Deferred Tax Asset for the year	14.00	49.94
	<b>Gross Deferred tax Asset</b>	<b>234.95</b>	<b>225.41</b>
	<b>Deferred Tax Liability/ ( Asset ) - Net</b>	<b>139.14</b>	<b>186.72</b>

**NOTE NO. 12 : SHORT TERM BORROWINGS**

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2023	As on 31-03-2022
		(In Lakhs)	(In Lakhs)
I	a) Loan from Related Parties	860.29	-
	<b>Total Borrowings</b>	<b>860.29</b>	<b>-</b>

**NOTE NO. 13 : TRADE PAYABLES**

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2023	As on 31-03-2022
		(In Lakhs)	(In Lakhs)
I	a) Trade Payables	1,612.43	2,297.07
	<b>Total Trade Payables</b>	<b>1,612.43</b>	<b>2,297.07</b>

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

S. No.	Particulars	As on 31.03.2023	As on 31.03.2022
I	<b>Dues to MSME*</b>		
	- Less than 01 Year	-	-
	- 1-2 Years	-	-
	- 2-3 Years	-	-
	- > 03 Years	-	-
II	<b>Others</b>		
	- Less than 01 Year	1,582.52	2,288.22
	- 1-2 Years	20.92	1.82
	- 2-3 Years	1.37	-
	- > 03 Years	7.62	7.03
	<b>Total</b>	<b>1,612.43</b>	<b>2,297.07</b>

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

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

**NOTE NO. 14 : OTHER CURRENT LIABILITIES**

S.No.	Particulars	Consolidated	Consolidated
		As on 31-03-2023	As on 31-03-2022
		(In Lakhs)	(In Lakhs)
I	Statutory dues Payable	269.15	184.37
II	Other Current Liabilities	3,701.53	2,709.00
III	Advance from Customers	114.17	131.74
IV	Security Deposits Payable	24.06	24.06
V	Outstanding Expenses Payable	706.49	689.71
VI	Lease Liabilities -Current Portion	13.68	-
	<b>Total Other Current Liabilities</b>	<b>4,829.07</b>	<b>3,738.88</b>

**NOTE NO. 15 : PROVISIONS-SHORT TERM**

S.No.	Particulars	Consolidated	Consolidated
		As on 31-03-2023	As on 31-03-2022
		(In Lakhs)	(In Lakhs)
I	a) Provisions for Employee benefits	1,804.12	1,528.96
	<b>b) Others</b>		
	Provision for Income Tax	740.23	793.79
	Audit Fee Payable	6.02	6.06
	Provision for Gratuity-Short Term	68.81	33.03
	Provision for Leave Encashment- Short Term	124.20	72.53
	Other Provisions	103.96	19.55
	<b>Total Provisions</b>	<b>2,847.34</b>	<b>2,453.92</b>

**CES LIMITED**

**Consolidated Notes to Financial Statements for the Period Ended March 31, 2023**

**NOTE NO. 16 : REVENUE FROM OPERATIONS**

S.No.	Particulars	Consolidated 31-03-2023	Consolidated 31-03-2022
		(In Lakhs)	(In Lakhs)
(I)	Revenue from operations		
	(a) Sale of Services		
	Domestic Sales	83.44	100.79
	Export Sales	42,561.79	39,244.28
	<b>Total Revenue from Operations</b>	<b>42,645.23</b>	<b>39,345.07</b>

**NOTE NO. 17 : OTHER INCOME**

S.No.	Particulars	Consolidated 31-03-2023	Consolidated 31-03-2022
		(In Lakhs)	(In Lakhs)
I	(a) Interest income	113.05	213.71
	(b) Rental Income	105.20	96.24
	(c) Other Income	35.99	0.03
	(d ) Exchange Gain	368.78	82.11
	(e) Income from forgiven PPP Loans	-	326.42
	<b>Total Other Income</b>	<b>623.02</b>	<b>213.71</b>

**NOTE NO. 18 : EMPLOYEE BENEFITS EXPENSE**

S.No.	Particulars	Consolidated 31-03-2023	Consolidated 31-03-2022
		(In Lakhs)	(In Lakhs)
I	(a) Salaries & Wages	19,788.39	16,166.02
	(b) Contribution to Provident & Other Funds	1,548.99	1,300.09
	(c) Staff Welfare Expenses	211.49	131.81
	<b>Total Employee Benefit Expenses</b>	<b>21,548.87</b>	<b>17,597.92</b>

**NOTE NO. 19 : FINANCE COST**

S.No.	Particulars	Consolidated 31-03-2023	Consolidated 31-03-2022
		(In Lakhs)	(In Lakhs)
I	(a) Interest Expenses		
	- Interest on Vehicle Loan	-	-
	- Interest on Term Loan	-	-
	- Other Finance Costs	45.63	15.93
	<b>Total Finance Cost</b>	<b>45.63</b>	<b>15.93</b>

**NOTE NO. 20 : OTHER EXPENSES**

S.No.	Particulars	Consolidated 31-03-2023	Consolidated 31-03-2022
		(In Lakhs)	(In Lakhs)
<b>I</b>	(a) Electricity Charges	148.86	64.59
	(b) Rent	156.64	136.60
	(c) Repairs to Buildings and Equipments	36.01	21.70
	(d) Insurance	197.52	142.11
	(e) Telephone, Postage and Others	84.57	73.22
	(f) Advertisement Expenses	1.13	2.02
	(g) Conveyance & Travelling Expenses	34.83	11.57
	(h) CSR Expenditure	39.40	31.93
	(i) Office Maintenance	149.76	123.38
	(j) Printing & Stationery Expenses/Subscriptions	5.47	14.00
	(k) Security Charges	35.81	12.93
	(l) Rates & Taxes (excluding Income Tax)	95.18	60.99
	(m) Computer Hire Charges	430.79	303.24
	(n) Professional and Consultancy fee	421.18	426.50
	(o) Job Portal Expenses	153.92	203.72
	(p) Outside Consultancy Fees	8,934.93	10,701.98
	(q) Bank Charges	17.47	13.61
	(r) Dues and Subscriptions	36.04	57.29
	(s) Software Supplies	125.13	78.42
	(t) Other operating expenses	465.66	528.65
	(u) Misc Expenses	-	1.64
	(v) Donation	1.00	-
	(w) Payment to Auditors:		
	(i) As Auditor	4.02	4.12
	(x) Immigration Expenses	24.80	-
	(y) Sales & Marketing	5,345.21	2,674.02
	(z) Management fee to Owners	1,434.86	1,506.75
	<b>Total Other Expenses</b>	<b>18,380.18</b>	<b>1,059.77</b>

**NOTE NO. 21 : TAX EXPENSE**

S.No.	Particulars	Consolidated 31-03-2023	Consolidated 31-03-2022
		(In Lakhs)	(In Lakhs)
a	Income Tax-Current Year	904.72	1,094.30
b	Income Tax-Previous Years	37.25	20.22
	<b>Total Tax Expense</b>	<b>941.97</b>	<b>1,114.52</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 22. Company overview

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

The address of its registered office is 7th Floor, Tower A, Ramky Selenium, Nanakramguda, Gachibowli Hyderabad – 500032.

### 23. A) Basis of Preparation of Financial Statements

#### i) Compliance with Ind AS

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of Companies Act 2013 (the ‘Act’) and other relevant provisions of the Act and accounting principles generally accepted in India.

The consolidated financial statements correspond to the classification provisions contained in Ind AS 1, “Presentation of Financial Statements”. For clarity, various items are aggregated in the consolidated statement of profit and loss and consolidated balance sheet. These items are disaggregated separately in the notes to the consolidated financial statements, where applicable. The accounting policies have been consistently applied to all periods presented in these financial statements.

#### ii) Basis of Preparation

These financial statements have been prepared on accrual and going concern basis of relevant Indian Accounting Standards (Ind AS) that are effective at the Company's annual reporting date, 31 March 2023. Accounting Policies have been applied consistently throughout the preparation of Financial Statements.

## **Current & Non-current Classification**

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle as per paragraph 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

### **Assets:**

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within twelve months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

### **Liabilities:**

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current.

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. Cash and cash equivalents for the purpose of the statement of cash flows comprise cash and cash on deposit with banks and financial institutions.

These financial statements have been prepared on the historical cost convention and on an accrual basis.

The financial statements were authorised for issue by the Company's Board of Directors on May 30, 2023.

### **iii) Use of Estimates and Judgements**

In the application of the Company's accounting policies, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

#### **Provision and contingent liability**

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

#### **Useful lives of depreciable assets**

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2023 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

## **Revenue recognition**

The Company applies judgement to determine whether each product or service promised to a customer is capable of being distinct, and is distinct in the context of the contract, if not, the promised product or service is combined and accounted as a single performance obligation. The Company allocates the Transaction Price to separately identifiable performance obligation deliverables based on their relative stand-alone selling price. In cases where the Company is unable to determine the standalone selling price the Company uses expected cost-plus margin approach in estimating the stand-alone selling price. The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed-price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, revenue recognised, profit and timing of revenue for remaining performance obligations are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. Volume discounts are recorded as a reduction of revenue. When the amount of discount varies with the levels of revenue, volume discount is recorded based on estimate of future revenue from the customer.

### **iv) Basis of Consolidation:**

The Company determines the basis of control in line with the requirements of Ind AS 110, Consolidated Financial Statements. Subsidiaries and controlled trusts are entities controlled by the Group. The Group controls an entity when the parent has power over the entity, it is exposed to, or has rights to, variable returns from its involvement with

the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries and controlled trusts are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and all intra- Group balances, transactions, income and expenses are eliminated in full on consolidation.

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

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

## **23. B) Significant Accounting Policies Information**

### **(a) Functional and presentation currency**

These financial statements are presented in Indian rupees, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

All financial information presented in Indian Rupees (₹) has been rounded off to the nearest Lakhs, except otherwise stated.

### **(b) Foreign Currency Transactions and Translations**

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing

at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

### **(c) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at transaction values and where such values are different from the fair value, at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the statement of profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of profit and loss are recognized immediately in the statement of profit and loss.

#### **1) Financial Assets**

The Company's Financial Assets mainly comprise of;

- Current financial assets mainly consist of trade receivables, investments in liquid mutual funds, cash and bank balances, fixed deposits with banks and financial institutions, Income Tax Refunds, GST ITC and other current receivables.
- Non-current financial assets mainly consist of financial investments in equity, fixed deposits and non-current deposits.

#### **i) Initial Recognition and Measurement**

The Company recognizes a financial asset when it becomes party to the contractual provisions of the instrument and are recognised at transaction price. All regular purchases or sales of financial assets are recognized and derecognized on a trade date basis, i.e., the date that the Company commits to purchase or sell the asset.

#### **ii) Subsequent Measurement**

For purposes of subsequent measurement, financial assets are classified in the following categories:

➤ **Financial Assets at Amortized Cost;**

A Financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at amortized cost category is the most relevant to the Company. It comprises of current financial assets such as trade receivables, cash and bank balances, fixed deposits with bank and financial institutions, other current receivables and non-current financial assets such as non-current receivables and deposits.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment, if any are recognized in the statement of profit and loss.

[

**iii) Impairment**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Trade Receivables
- Other financial assets that are measured at amortized cost.

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

**2) Financial Liabilities and Equity Instruments**

**a) Financial Liabilities**

The Company's Financial Liabilities mainly comprise of;

- Current financial liabilities mainly consist of trade payables and liability for capital expenditure.

**i) Initial Recognition and measurement of Financial Liabilities**

The Company recognizes a financial liability in its balance sheet when it becomes party to the contractual provisions of the instrument. All financial liabilities are recognized

initially at transaction value. Financial liabilities are initially recognized and measured at amortized cost.

**ii) Derecognition of Financial Liability**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

**(d) Equity and share capital**

***a) Share capital and securities premium***

The authorised share capital of the Company as at March 31, 2023 is ₹ 3,650 Lakhs divided into 3,65,00,000 equity shares of ₹10 each. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as securities premium. Every holder of the equity shares, as reflected in the records of the Company as at the date of the shareholder meeting shall have one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

***b) Capital Reserve***

Capital reserve amounting to ₹870 Lakhs (March 31, 2023) is not freely available for distribution.

***c) Retained earnings***

Retained earnings comprises of the Company's undistributed earnings after taxes.

**(e) Property, plant and equipment**

***i) Recognition and measurement***

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost. Capital work-in-progress are measured at cost less accumulated impairment losses, if any.

## *ii) Depreciation*

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Leasehold improvements are amortised over the shorter of estimated useful life of the asset or the related lease term. Term licenses are amortised over their respective contract term. Freehold land is not depreciated. The estimated useful life of assets is reviewed and where appropriate are adjusted, annually. The estimated useful lives of assets are as follows:

Category	Useful life
Buildings	60 years
Office equipment	5 years
Computer equipment	3 years
Furniture, fixtures and equipment	10 years
Vehicles	8 years

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Deposits and advances paid towards the acquisition of property, plant and equipment outstanding as at each reporting date is classified as capital advances under other non-current assets and the cost of property, plant and equipment not available for use before such date are disclosed under capital work-in-progress.

## **(f) Goodwill and Intangible assets**

### ***a) Goodwill***

The excess of the cost of an acquisition over the Company's share in the fair value of the acquiree's identifiable assets and liabilities is recognised as goodwill. If the excess is negative, a bargain purchase gain is recognised in equity as capital reserve. Goodwill is measured at cost less accumulated impairment (if any). Goodwill associated with disposal of an operation that is part of cash-generating unit is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained, unless some other method better reflects the goodwill associated with the operation disposed of.

### ***b) Intangible assets***

Intangible assets acquired separately are measured at cost of acquisition. Intangible assets acquired in a business combination are measured at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any.

The amortisation of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated.

## **(g) Leases**

### **The Company as a lessee**

The Company enters into an arrangement for lease of land, buildings, plant and equipment including computer equipment and vehicles. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to:

- a) control use of an identified asset,
- b) obtain substantially all the economic benefits from use of the identified asset, and
- c) direct the use of the identified asset

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract recognises a Right of Use ("RoU") asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short-term leases) and low-value assets. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the RoU assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the RoU assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The RoU assets are depreciated using the straightline method from the commencement date over the shorter of lease term or useful life of RoU assets. The estimated useful lives of RoU assets are determined on the same basis as those of property, plant and equipment.

The Company applies Ind AS 36 to determine whether a RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The Company

recognises the amount of the remeasurement of lease liability as an adjustment to the RoU assets. Where the carrying amount of the RoU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the statement of profit and loss. Payment of lease liabilities are classified as cash used in financing activities in the statement of cash flows. The Company as a lessor Leases under which the Company is a lessor are classified as a finance or operating lease. Lease contracts where all the risks and rewards are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating lease. For leases under which the Company is an intermediate lessor, the Company accounts for the head-lease and the sub-lease as two separate contracts. The sub-lease is further classified either as a finance lease or an operating lease by reference to the RoU asset arising from the headlease.

#### **(h) Employee Benefits**

##### **Gratuity**

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

##### **Short-term employee benefits**

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

**Compensated absences**

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

**Provident Fund/ESI**

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

**(i) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

#### **(j) Revenue**

The Company earns revenue primarily from providing IT services, IT Enabled Services, consulting and business solutions. The Company offers a consulting-led, cognitive powered, integrated portfolio of IT and IT Enabled, business solutions.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognised as and when services are performed to customers in an amount that reflects the consideration the Company expects to receive (the “Transaction Price”). Revenue towards satisfaction of the performance obligation is measured at the amount of the Transaction Price (net of variable consideration on account of discounts and allowances) allocated to that performance obligation. To recognise revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the Transaction Price, (4) allocate the Transaction Price to the performance obligations in the contract, and (5) recognise revenues when a performance obligation is satisfied. When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

At contract inception, the Company assesses its promise to render services to a customer to identify separate performance obligations. The Company applies judgement to determine whether each service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. The Company

allocates the Transaction Price to separately identifiable performance obligations based on their relative stand-alone selling price or residual method. Stand-alone selling prices are determined based on expected cost-plus margin approach in estimating the stand-alone selling price.

For performance obligations where control is transferred over time, revenues are recognised by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised services to be provided. The method for recognising revenues and costs depends on the nature of the services rendered:

**A. Time and materials contracts**

Revenues and costs relating to time and materials contracts are recognised as the related services are rendered.

**B. Fixed-price contracts**

*i) Fixed-price development contracts*

Revenues from fixed-price development contracts, where the performance obligations are satisfied over time, are recognised using the “percentage-of-completion” method. The performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. If the Company is not able to reasonably measure the progress of completion, revenue is recognised only to the extent of costs incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognised in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates as an onerous contract provision.

A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on fixed-price

development contracts and are classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

#### *ii) Maintenance contracts*

Revenues related to fixed-price maintenance contracts are recognised on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or ratably using percentage of completion method when the pattern of benefits from the services rendered to the customers and the cost to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive.

Revenue for contracts in which the invoicing is representative of the value being delivered is recognised based on our right to invoice. If our invoicing is not consistent with value delivered, revenues are recognised as the service is performed using the percentage of completion method. In certain projects, a fixed quantum of service or output units is agreed at a fixed-price for a fixed term. In such contracts, revenue is recognised with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilised by the customer is recognised as revenue on completion of the term.

#### **C. Others**

- Any change in scope or price is considered as a contract modification. The Company accounts for modifications to existing contracts by assessing whether the services added are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the stand-alone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the stand-alone selling price.

- The Company accounts for variable considerations like, volume discounts, rebates and pricing incentives to customers and penalties as reduction of revenue on a systematic and rational basis over the period of the contract. The Company estimates an amount of such variable consideration using expected value method or the single most likely amount in a range of possible consideration depending on which method better predicts the amount of consideration to which the Company may be entitled and when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.
- Revenues are shown net of allowances/ returns, goods and services tax and applicable discounts.
- Estimates of the Transaction Price and total costs or efforts are continuously monitored over the term of the contract and are recognised in net profit in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses.
- Incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognised as an asset when the Company expects to recover these costs.
- The Company recognises contract fulfilment cost as an asset if those costs specifically relate to a contract or to an anticipated contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered.
- Costs to obtain contract relating to upfront payments to customers are amortised to revenue and other costs to obtain contract and costs to fulfill contract are amortised to cost of sales over the respective contract life on a systematic basis consistent with the percentage of services rendered to customer to which the asset relates.
- The Company assesses the timing of the delivery of services to the customer as compared to the timing of payments to determine whether a significant financing component exists. As a practical expedient, the Company does not assess the existence of a significant financing component when the difference between payment and transfer

of deliverables is twelve months or less. If the difference in timing arises for reasons other than the provision of finance to either the customer or us, no financing component is deemed to exist.

- Unbilled receivables are classified as a financial asset where the right to consideration is unconditional and only the passage of time is required before the payment is due.

**(k) Income tax**

Income tax comprises current and deferred tax. Income tax expense is recognised in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognised in equity or in other comprehensive income.

***a) Current income tax***

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. Current income tax(including Minimum Alternate Tax (MAT)) is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the current tax amounts are those that are enacted or substantively enacted as at the reporting date and applicable for the period. Current income tax payable by overseas branches of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income. While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously.

*b) Deferred income tax*

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in these standalone financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred income tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences that is expected to reverse within the tax holiday period, taxable temporary differences associated with investments in subsidiaries, associates and foreign branches where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is a right and an intention to settle the current

tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

**(l) Earnings per share**

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held.

**(m) 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.

Company reports its financial statements for the geographies of India and USA, and also for the IT and ITES segments.

**Notes to Consolidated Financial Statements for the year ended 31 March 2023:**

**24. Related Party Transactions:**

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

**Related Party Disclosures:**

S.No	Name of the Related Party	Nature of Relationship
1	CES Information Technologies Private Limited (CES IT)	Indian Subsidiary Company
2	CES Global IT Solutions Private Limited	Indian Subsidiary Company
3	CES Technology Services Private Limited	Indian Subsidiary Company
4	CES USA Inc.	Foreign Subsidiary

5	CES Global LLC	Stepdown Foreign Subsidiary
6	CES Enterprise LLC	Stepdown Foreign Subsidiary
7	Ample IT Services LLC	Stepdown Foreign Subsidiary
8	CES Infotech Limited	Stepdown Foreign Subsidiary
9	Infra Master Private Limited	Common Directors & Shareholding
10	CES Information Systems private Limited	Common Directors & Shareholding
11	Sri. Mohana Rao Kancharla	Whole Time Director
12	Sri. Srinivas Raju Kucherlapati	Chief Financial Officer
13	Sri. Suraj Kumar Garg	Company Secretary & Compliance Officer

**Related Party Transactions with Key Managerial Personnel:**

S.No	Name of the Related Party	Nature of Relation	Nature of Transaction	2022-23 (In Lakhs)	2021-22 (In Lakhs)
1	Mr. Mohana Rao Kancharla	Director	Remuneration	18.81	18.81
2	Mr. Srinivas Kucherlapati	CFO	Remuneration	21.80	19.73
3	Mr. Suraj Kumar Garg	Company Secretary	Remuneration	9.18	4.56

25. The management has initiated the process of identifying enterprises which have provided services to the company, and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. The company has not received any intimation from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

26. The Companies operations predominantly relate to providing IT Services in two primary business segments viz. IT Services and IT Enabled Services (ITES). The Company considers the business segment as the Primary Segment and Geographical Segment based on the location of the customers as the Secondary Segment. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments. Income and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment, while the remainders of costs are apportioned on an appropriate basis. Certain expenses are not specifically allocable to individual segments as underlying services are used interchangeably. The Company therefore believes that it is not practical to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as unallocable and directly charged against total income. The assets of the Company are used interchangeably between segments, and the management believes that it is currently not practical to provide segment disclosures relating to total assets and liabilities since a meaningful segregation is not possible.

**BUSINESS SEGMENTS:**

**(Amount In Lakhs)**

<b>Profit and Loss Statements for the year ended 31<sup>st</sup> March 2023.</b>	<b>IT Services</b>	<b>IT Enabled Services</b>	<b>Total</b>
Revenues	17,623.83	25,021.40	42,645.23
Direct Expenses	8,905.42	12,643.45	21,548.87
<b>Gross Income</b>	<b>8,718.41</b>	<b>12,377.95</b>	<b>21,096.37</b>
Less: Un-allocated Expenses			18,867.36
<b>Add: Interest &amp; Other Income</b>			<b>623.02</b>
<b>Net Profit Before Taxes</b>			<b>2,852.03</b>
Income Taxes			900.60
<b>Net Profit After Taxes</b>			<b>1,951.43</b>

## GEOGRAPHICAL SEGMENTS:

( Amount In Lakhs)

<b>Profit and Loss Statements for the year ended 31<sup>st</sup> March 2023.</b>	<b>USA</b>	<b>DOMESTIC</b>	<b>Total</b>
Revenues	42,561.79	83.44	42,645.23
Direct Expenses	21,508.43	40.43	21,548.86
<b>Gross Income</b>	<b>21,053.36</b>	<b>43.01</b>	<b>21,096.37</b>
Less: Un-allocated Expenses			18,867.36
<b>Add: Interest &amp; Other Income</b>			623.02
<b>Net Profit Before Taxes</b>			<b>2,852.03</b>
Income Taxes			900.60
<b>Net Profit After Taxes</b>			<b>1,951.43</b>

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

Name of the Entity	Net Assets, i.e Total assets minus Total Liabilities		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount (Amount In Lakhs)	As % of Consolidated Profit	Amount (Amount In Lakhs)
<b>CES Limited</b>	49.38%	9,536.08	54.47%	1,340.56
<b>Indian Subsidiaries:</b>				
CES Information Technologies Pvt Ltd.	15.72%	3,035.83	18.30%	450.33
CES Global IT Solutions Pvt Ltd.	7.96%	1,537.46	17.16%	422.26
CES Technology Services Pvt Ltd.	1.13%	218.01	0.24%	6.03
<b>Foreign Subsidiaries:</b>		-		-
CES USA Inc.	25.80%	4,982.30	9.82%	241.71
<b>TOTAL</b>		<b>19,309.68</b>		<b>2,460.89</b>
Adjustments arising out of consolidation		(348.90)		-
<b>Minority Interest</b>				
<b>i) Indian Subsidiaries:</b>				

CES Information Technologies Pvt Ltd.		(910.45)		(135.10)
CES Global IT Solutions Pvt Ltd.				
CES Technology Services Pvt Ltd.				
<b>ii) Foreign Subsidiary:</b>				
CES USA Inc.		(412.50)		(32.41)
<b>Consolidated Net Assets/Profit after Tax</b>		<b>17,637.84</b>		<b>2,293.37</b>

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

### a) Defined Benefit Plan-Gratuity

<b>Particulars</b>	<b>Amount In Lakhs.</b>
Present Value of Obligations at the Beginning	1,000.46
Current Service Cost	261.90
Interest Cost	66.36
Benefits paid	(46.17)
Actuarial (Gain)/ Loss	(117.97)
<b>Present Value of Obligations at the end of the year</b>	<b>1,164.58</b>

### b) The components of net gratuity costs are reflected below

<b>Particulars</b>	<b>Amount In Lakhs.</b>
Service Cost	261.90
Interest Cost	66.36
Net Actuarial Gain/ (Loss) recognised in the year	117.97
<b>Net gratuity costs</b>	<b>210.29</b>

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

<b>Particulars</b>	<b>Gratuity</b>
Discount Rate	7.48-7.79%
Compensation Escalation Rate	10.00%

**d) Defined Benefit Plan-Leave Encashment**

<b>Particulars</b>	<b>Amount In Lakhs.</b>
Present Value of Obligations at the Beginning	512.76
Current Service Cost	600.39
Interest Cost	47.27
Benefits paid	(373.05)
Actuarial (Gain)/Loss	(97.53)
<b>Present Value of Obligations at the end of the year</b>	<b>689.85</b>

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

<b>Particulars</b>	<b>Amount In Lakhs.</b>
Service Cost	600.39
Interest Cost	47.27
Net Actuarial Gain/(Loss) recognised in the year	97.53
<b>Net leave encashment costs</b>	<b>550.13</b>

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

<b>Particulars</b>	<b>Leave Encashment</b>
Discount Rate	7.48-7.79%
Compensation Escalation Rate	10.00%

29. Calculation of EPS as per the Ind AS - 33 for the year ending 31 March 2023.

<b>Particulars</b>	<b>Amount (Rs. In Lakhs)</b>
Profit available to the equity shareholders	1,951.43
Weighted average number of shares outstanding	364.00
Basic Earnings per Share	5.36
Diluted Earnings per Share	5.36

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

**SIGNATURE TO NOTES 1 to 30**

**As per our report of even date  
For P. Murali & Co,  
Chartered Accountants  
Firm Registration No. 007257S**

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

**M V Joshi  
Partner  
Membership No. 024784**

**Mohana Rao Kancharla  
Director  
DIN: 00004288**

**Rama Krishna S  
Director  
DIN: 01825682**

**Place: Hyderabad  
Date: 30<sup>th</sup> May 2023**

**Srinivas Kucherlapati  
Chief Financial Officer**

**Suraj Kumar Garg  
Company Secretary**



**CES Limited**  
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