



**33<sup>rd</sup> ANNUAL REPORT**  
**2017 - 2018**

## **BOARD OF DIRECTORS**

Mr. Murali Krishna Tummala (1889806)  
Mr. Duruvasan R (00223052)  
Mr. Mohana Rao Kancharla (00004288)  
Mr. Rama Krishna Sebbineni (01825682)  
Mr. Appa Rao Kancharla (02532842)  
Mr. Venkat Davarapalli (00028498)  
Mr. Sai Krishna Kancharla (07775575)  
Mrs. Aruna Krishna Sabbineni (06997005)

Chairman and Independent Director  
Independent Director  
Whole –Time Director  
Alternate Director of Venkat Davarapalli  
Alternate Director of Sai Krishna Kancharla  
Director  
Director  
Director

Corporate Identity Number (CIN): L55100TG1985PLC045963

## **KEY MANAGERIAL PERSONNEL**

Mr. Mohana Rao Kancharla- Whole -Time Director  
Mr. Benarji Mallampati- Chief Financial Officer  
Mr. Surya Prakash Mungelkar - Company Secretary

## **BANKERS**

ICICI Bank, Hyderabad  
Bank of India, Hyderabad  
IndusInd Bank, Hyderabad

## **AUDITORS**

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

## **INTERNAL AUDITOR**

K Rama Mohan & Associates.  
Flat No.1004, Minar  
Apartments, Basheerbagh  
Hyderabad - 500029

## **SECRETARIAL AUDITOR**

Sharda 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- 500032  
Hyderabad - 500 032  
Ph: 040 42421122  
Fax: 040 66259444

## **SHARE TRANSFER AGENTS**

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

[info@cesltd.com](mailto:info@cesltd.com)  
[www.cesltd.com](http://www.cesltd.com)

## **LISTING AT**

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

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## NOTICE

**NOTICE** is hereby given that the 33<sup>rd</sup> Annual General Meeting of. CES LIMITED will be held on Friday, 28<sup>th</sup> day of September 2018, at 4:00P.M.at the Registered Office of the Company at, **7<sup>th</sup>Floor,Tower-A, Ramky Selenium, Nanakramguda, Gachibowli, Hyderabad - 500 032**, to transact the following Business:

### ORDINARY BUSINESS

1. To receive, consider and adopt standalone and Consolidated Audited Balance Sheet as at 31<sup>st</sup> March, 2018 and Profit and Loss Account for the period ended on that date and the Reports of the Directors and the Auditors thereon.
2. To reappoint Smt. Aruna Krishna Sabbineni (06997005) who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS:

#### **3. INCREASE IN AUTHORISED SHARE CAPITAL**

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary Resolution

**“RESOLVED THAT** pursuant to the provisions of Section 61 read with Section 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re- enactment thereof) and the rules framed there under, the consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from existing Rs. 20,10,00,000 (Rupees twenty crores and ten lacs) divided into 2,01,00,000 (Two Crores one Lakh) Equity Shares of Rs. 10/- each to Rs. 36,50,00,000 (Rupees Thirty Six Crores and Fifty Lacs) divided into 3,65,00,000 (Three Crores Sixty Five lacs ) Equity Shares of Rs. 10/- each by creation of additional 1,64,00,000 (one Crore Sixty Four Lacs ) Equity Shares of Rs. 10/- each ranking pari passu in all respect with the existing Equity Shares of the Company.

**RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

#### **4. ALTERATION IN THE CAPITAL CLAUSE OF MEMORANDUM OF ASSOCIATION**

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

**“RESOLVED THAT** pursuant to the provisions of Section 13, 61 and 64 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under, the consent of the members of the Company be and is hereby accorded for substituting Clause V of the Memorandum of Association of the Company with the following clause. V.

**V.** The Authorised Share Capital of the Company is Rs. 36,50,00,000/-(Rupees Thirty Six Crores Fifty Lacs ) divided into 3,65,00,000 (Three Crores Sixty Five lacs ) Equity Shares of face value of Rs. 10/- (Rupees Ten) each.”

**RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

#### **5. ALTERATION IN THE CLAUSE NO. 3 OF THE ARTICLES OF ASSOCIATION.**

To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

**RESOLVED THAT** pursuant to section 14 of the Companies Act, 2013, Article No. 3 of the Articles of Association of the Company be altered by substituting it with the following new clause:

The Authorized Share Capital of the Company is (Rs. 36,50,00,000) (Rupees Thirty Six Crores and Fifty lacs) divided into (3,65,00,00) ( Three Crores Sixty Five Lacs) equity shares of Rs.10 (Rupees Ten each) , with a power of company to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the company, for the time being, and to classify and reclassify such shares from shares of one class into shares of other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by the company in accordance with the Articles of Association of the company and to vary, modify or abrogate any such rights, privileges, conditions or restrictions, in such manner and by such persons as may, for the time being, be permitted under the provisions of the Articles of Association of the company or legislative provisions for the time being in force in that behalf.

**RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

#### **6. TO CONSIDER ISSUE OF BONUS EQUITY SHARES**

To. consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution.

**“RESOLVED THAT** in pursuance of Section 63 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and other applicable regulations and guidelines issued by SEBI and Reserve Bank of India (RBI), as amended from time to time, Articles of Association of the Company, and subject to such approvals, consents, permissions, conditions and sanctions as may be considered necessary from appropriate authorities and the terms and conditions, if any, as may be specified while according such approvals and subject to acceptance of such terms and conditions by the Board of Directors of the Company (‘the Board’, which term shall include any Committee authorised by the Board to exercise its powers including powers conferred on the Board by this resolution),, the approval of the members be and is hereby accorded to the Company to capitalize a sum of Rs.35,10,000,00/- out of Rs .48,0260,785/- standing to Free Reserves Account and to apply this sum of Rs. 35,10,000,00/- for paying in full at par 3,51,00,000 equity shares of Rs.10 each in the capital of the company to be allotted and distributed as fully paid bonus shares to the holders of equity shares of Rs. 10/- each in the Company, whose names appear in the Register of Members of the Company on the Record Date , in the ratio of 1:27 i.e., 27 shares of Rs. 10/- for every 1 (one) equity share held and that 27( Twenty Seven) new equity Shares so issued shall upon allotment have the same rights of voting as the existing equity shares and be treated for all other purposes pari passu with the existing equity shares of the Company and that the equity shares so allotted during the financial year shall be entitled to dividend, if any, proportionately in the year of the allotment of these shares.

**“RESOLVED FURTHER THAT** the Share Certificates in respect of the New Equity Shares will be issued in the same mode as held on the Record Date and dispatched to the shareholders who hold the existing Equity Shares in

physical form and the New Equity Shares will be credited in electronic form to the demat accounts of the shareholders who hold the existing Equity Shares in electronic form, within the period prescribed.”

**“RESOLVED FURTHER THAT** the allotment of the New Equity Shares as Bonus Shares to the extent they relate to Non-Resident Indians (NRIs), Foreign Portfolio Investors (FPIs), Persons of Indian Origin (PIO), Overseas Corporate Bodies (OCB) and other foreign investors of the Company shall be subject to the approval of the RBI, under the Foreign Exchange Management Act, 1999, or any other regulatory authority, as necessary.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to take necessary steps for listing of the New Equity Shares on the Stock Exchanges where the securities of the Company are presently listed, as per the provisions of the SEBI Listing Regulations and other applicable guidelines, rules and regulations.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things and give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the issue, allotment, distribution and listing of the New Equity Shares and its decision shall be final and binding.”

**7. TO REVIEW, ALTER, MODIFY THE REMUNERATION INCLUDING SALARY, ALLOWANCES, PERQUISITES, ETC., OF SHRI MOHANA RAO KANCHARLA (00004288), WHOLE TIME DIRECTOR OF THE COMPANY.**

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

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the shareholders of the Company be and is hereby accorded to revise the remuneration of Shri Mohana Rao Kancharla, Whole-time Director, as set out in the Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall include the Nomination and Remuneration Committee of the Company) to alter and vary the terms and conditions of the said appointment and/or remuneration as it may deem fit;

**FURTHER RESOLVED THAT** the consent of the shareholders of the Company be and is hereby also accorded that where in any financial year the Company has no profits or inadequate profits then remuneration as decided above be paid with the with or with approval of the Central Government or as may be required.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**8. TO APPOINT SHRI APPA RAO KANCHARLA (02532842) AS ALTERNATE DIRECTOR FOR SHRI SAI KRISHNA KANCHARLA(07775575)**

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

**“RESOLVED THAT** pursuant to the provisions of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) (Amendment) Regulations, 2018, 17(1A) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment

thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the shareholders of the Company be and is hereby Shri Appa Rao Kancharla (02532842) who is 84 years of age is be and hereby accorded to appointed as alternate director for shri Sai krishna Kancharla (07775575).

BY ORDER OF THE BOARD

**PLACE:** HYDERABAD

**DATE:** 04/09/2018

M. Surya Prakash

Company Secretary

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

The instrument of proxy in order to be effective, must be deposited at the office of the Company's Registrar and Share Transfer Agent- Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad- 500 029 not less than 48 hours before the Commencement of the meeting. A blank proxy form is enclosed.

2. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 22 September (Saturday) 2018 to, 28 September (Friday) 2018. (Both days inclusive).
4. The requirement to place the matter relating to appointment of statutory auditors for ratification by members at every annual general meeting is omitted vide notification dated 7 May 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, resolution for ratification of the appointment of statutory auditors who were appointed for a period of five years at the 32<sup>nd</sup> annual general meeting held on 29<sup>th</sup> September 2017 is not proposed at this AGM.

The Securities and Exchange Board of India (SEBI) has mandated the submission of copy of PAN card to the Company/ Depository Participants as the case may be. Members holding shares in physical form should submit their PAN details to the Company/RTA.

Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to the rule 19(1) of the Companies

(Share Capital and Debentures) Rules, 2014 are requested to send their requests in form no. SH-13, to the registrar and transfer agent of the Company. Further, members desirous of cancelling/varying nomination pursuant to the rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in form no. SH14, to the registrar and transfer agent of the Company. These forms will be made available on request.

5. Members are requested to bring their Client ID and DP ID or Folio Numbers, as may be applicable, for easy Identification of attendance at the meeting
6. Members desirous of getting any information about the accounts and operations of the Company are requested to submit their queries addressed to the Company Secretary at least 7 days in advance of the meeting so that the information called for can be made available at the meeting.
7. Members are requested to bring copies of the Annual Report sent to them to the meeting.
8. Electronic copy of the Annual Report Notice for Annual General Meeting for the financial period ended 31.03.2018 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice for Annual General Meeting is being sent in the permitted mode.
9. Electronic copy of the Notice of the 33<sup>rd</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 33<sup>rd</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
10. Members may also note that the Notice of the 33<sup>rd</sup> Annual General Meeting and the Annual Report for the financial period ended on 31.03.2018 will also be available on the Company's website [www.cesltd.com](http://www.cesltd.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [info@cesltd.com](mailto:info@cesltd.com).
11. Voting through electronic means in compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 33<sup>rd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL), Kindly Visit [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and select help option, you can find user manual for shareholders to cast Vote at **Annexure-IV**

BY ORDER OF THE BOARD  
For CES LIMITED



## **Explanatory statements under section 102 of Companies Act 2013**

### **Item No- 3, 4 & 5.**

The Current Authorized Capital of the Company is Rs.201,000,000/- (Rupees Twenty Crores and Ten lacs) and the paid up share capital of the Company is Rs.13,000,000(Rupees one crore and Thirty lacs only). The Company proposes to increase its authorized share capital to Rs.365,000,000/- (Rupees Thirty Six Crores Fifty Lacs ). The Company has plans to capitalize the amount lying in free reserves by issuing bonus shares and thus it is required to increase the authorised share capital.

Subsequent to the increase in the Authorised Share Capital, Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company would have to be altered by passing the necessary Resolutions.

The Resolutions at Item No. 4, and 5 of the Notice are consequential upon the proposed increase in the Authorised Share Capital of the Company (Item No-03).

Your Directors recommend the passing of the Resolutions at Item Nos. 3, 4 and 5, as Special Resolutions.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions as set out at Item Nos. 3, 4 and 5 of the Notice.

The Memorandum and Articles of Association of the Company are open for inspection of the members at the Registered Office of the Company during the normal business hours at any time up to the date of the Annual General Meeting and at the Meeting.

### **Item No- 06 Issue of Bonus shares**

The Board of Directors at their meeting held on 04<sup>th</sup> November,2018 recommended issue of bonus shares in proportion of 27 (twenty-seven) share for every 1 (One) equity shares held by the members on a "Record Date" i.e. 21<sup>st</sup> September, 2018 fixed by the Board of Directors, by capitalizing a part of the amount standing to the credit of the Reserves.

Pursuant to the provisions of the Articles of Association of the Company and the Companies Act, 2013 and rules made thereunder the capitalization of reserves and bonus issue thereof require approval of the members in general meeting.

Accordingly, the resolution seeks approval of the shareholders for capitalizing 351,000,000/- (Rupees Thirty Five Crore and ten lacs) out of the amount standing to the credit of Reserves and issue of bonus shares out of the same on the term and conditions set out in the resolution.

The Board of Directors recommends the Ordinary resolution for approval of shareholders.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

**Item No. 7** Shri Mohan Rao Kancharla DIN No. 00004288 is Director on the Board since 2005 and appointed as Whole- Time Director of the Company in the AGM held on 30<sup>th</sup> December 2014. Board Proposes to revise the remuneration of Shri Mohan Rao Kancharla.

The Board of Directors of the Company ("the Board") at its meeting held on 04<sup>th</sup> September, 2018 has, subject to approval of members, for a further period of expiry of his present term, that is up to 31<sup>st</sup> December,2019 on terms

and conditions including remuneration as recommended by Nomination and Remuneration Committee (the 'NRC Committee') of the Board and approved by the Board.

It is proposed to seek members' approval for remuneration payable to Shri Mohana Rao Kancharla, whole time director of the company, in terms of the applicable provisions of the Act. Broad particulars of the terms of remuneration payable to Shri Mohana Rao Kancharla are as under:

- i) Managerial Remuneration of Rs.18,00,000/-per annum.
- ii) Performance Linked Variable Remuneration: Performance Linked Variable Remuneration according to the Scheme of the Company for each of the financial years as may be decided by the Nomination & Remuneration Committee/Board of Directors of the Company based on the performance of the abovementioned Director for each year.

Information pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS- 2) regarding fixation of remuneration of Directors is given below: -

1.	Age	60 Years
2.	Qualifications	Bachelor of Commerce
3.	Area of Experience	Information Technology & Infrastructure
4.	Last drawn remuneration	Rs.7.31 Lakhs
5.	Date of first appointment on the Board	29.07.2005
6.	No. of share held	25,000 Shares
7.	Relationship with Directors, Managers & KMP	Shri Appa Rao Kancharla is father and Sai Krishna Kancharla is nephew of Shri Mohan Rao Kancharla.
8.	Number of Board Meeting attended during FY 2017-18.	5
9.	Other Directorship	7
10.	Chairman/ Member of the Committees of Boards of other companies	NA

Information pursuant to 197 of the Companies Act, 2013 read with Schedule V regarding fixation of remuneration of Directors is given below: -

General information:	
(1) Nature of industry	IT & ITES
(2) Date or expected date of commencement of commercial production	NA
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	NA
(4) Financial performance based on given indicators	
(5) Foreign investments.	66.92 %