



34th ANNUAL REPORT
2018 - 2019



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

7th Floor, Tower-A, Ramky
Selenium, Nanakramguda,
Gachibowli,
Hyderabad - 500 032
Ph: 040 42421122
Fax: 040 66259444

SHARE TRANSFER AGENTS

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

info@cesltd.com
www.cesltd.com

LISTING AT

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



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NOTICE

NOTICE is hereby given that the 34th Annual General Meeting of. CES LIMITED will be held on Monday, 30th day of September 2019, at 4:00P.M.at the Registered Office of the Company at, **7thFloor, Tower-A, Ramky Selenium, Nanakramguda, Gachibowli, Hyderabad - 500 032**, to transact the following Business:

ORDINARY BUSINESS

1. To consider and adopt standalone financial statements for the period ended as on 31st March 2019.
2. To consider and adopt consolidated financial statements for the period ended as on 31st March 2019.
3. To re-appoint Mr. Sai Krishna Kancharla (07775575) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. TO APPOINT 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:

The Board appreciated valuable services rendered by Shri Mohan Rao Kancharla (00004288) as Whole-Time Director and informed the shareholders, he was appointed as Whole-Time Director for period of Five years in 29th Annual General Meeting of CES Limited which shall expire on 29th December, 2019. The Board recommends his reappointment as Whole-Time Director for period of Five years from 30th December 2019 to 29th December, 2024.

“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 re-appoint Shri Mohana Rao Kancharla(00004288) as Whole -Time Director of the Company for a period of Five years i.e from 30th December,2019 to 29th December,2024.

FURTHER 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 thereunder (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, approval of the Company be and is hereby accorded to pay remuneration to Shri. Mohana Rao Kancharla, Whole- Time Director of the Company.

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 or without the approval of the Central Government as may be required .

FURTHER RESOLVED THAT the Board of Directors of the Company thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle

any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.

FURTHER RESOLVED THAT the Board of Directors of the Company thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Shri. Mohana Rao Kancharla, (00004288) Whole Time Director, including the components of the remuneration payable to him and he shall not retire by rotation. Related parties shall not participate in the above resolutions

5. TO RE-APPOINT MR.DURUVASAN R (00223052) AS INDEPENDENT DIRECTOR.

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

The Board appreciated services rendered by Shri. Duruvasan R (DIN:00223052) as a non-executive Independent Director and informed the shareholders he was appointed as non-executive Independent Director for period of Five years in 29th Annual General Meeting of CES Limited which shall expire on 29th December, 2019. The Board recommends his reappointment as Independent Director for period of Five years from 30th December 2019 to 29th December, 2024.

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time that Mr. Duruvasan R (DIN:00223052) a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re appointment, be and is hereby reappointed as an Independent Director of the Company, with effect from 30th December 2019 to 29th December, 2024 and he shall not retire by rotation.

BY ORDER OF THE BOARD

PLACE: HYDERABAD

DATE: 05/09/2019

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 shall remain closed from 23 September (Monday) 2019 to 30 September (Monday) 2019. (Both days inclusive) and Cutoff date for sending AGM notice shall be 30th August, 2019
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 32nd annual general meeting held on 29th 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.

Mandatory update of PAN and Bank details –

Pursuant to SEBI Circular SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated 20th April, 2018, shareholders holding shares in physical form whose folio do not have / have incomplete details with respect to PAN and bank particulars are mandatorily required to furnish the PAN and bank account details to the Company / Registrar & Transfer Agent (RTA) for registration under their folio. Hence, the shareholders are requested to update their PAN and bank details.

Compulsory Dematerialization of shares of listed company:

As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, w.e.f. April 1, 2019 the transfer of securities of listed companies shall not be processed unless the securities are held in the dematerialized form (Demat) with a depository. Hence, the members of the company are requested to dematerialize their shareholding to avail the benefits of dematerialization. A note on procedure to be followed for dematerialization of physical shareholding.

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 31.03.2019 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 34th 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 34th 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 34th Annual General Meeting and the Annual Report for the financial period ended on 31.03.2019 will also be available on the Company's website 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.
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 34th 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 and select help option, you can find user manual for shareholders to cast Vote at **Annexure-V**

BY ORDER OF THE BOARD
For CES LIMITED

Explanatory statements under section 102 of Companies Act 2013

Item No. 4

Shri Mohana Rao Kancharla (00004288) has rendered his valuable services to organization since 2005 and appointed as Whole- Time Director of the Company in the AGM held on 30th December 2014. Board of Directors is of opinion re-appointing him as Whole-time Director will boosts the productivity of organization overall and Board unanimously taken decision to appoint Shri Mohana Rao Kancharla as Whole time Director for Period of Five Years from 30th December,2019 to 29th December,2024.

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 05th September, 2019 has, subject to approval of members, for a further period of expiry of his present term, that is up to 30th 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	61 Years
2.	Qualifications	Bachelor of Commerce
3.	Area of Experience	Information Technology & Infrastructure
4.	Last drawn remuneration	Rs.18.00 Lakhs
5.	Date of first appointment on the Board	29.07.2005
6.	No. of share held	700000 Shares
7.	Relationship with Directors, Managers & KMP	Shri Appa Rao Kancharla is the father and Sai Krishna Kancharla is a nephew of Shri Mohan Rao Kancharla.
8.	Number of Board Meeting attended during FY 2018-19.	6
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 %
II. Information about the appointee:	
(1) Background details	
(2) Past remuneration	Rs.18,00,000/-
(3) Recognition or awards	
(4) Job profile and his suitability	
(5) Remuneration proposed	Rs.18,00,000/-
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	-
III. Other information:	
(1) Reasons of loss or inadequate profits	-
(2) Steps taken or proposed to be taken for improvement	-
(3) Expected increase in productivity and profits in measurable terms	-

None of the directors or their relatives except Mr.Appa Rao Kancharla and Sai Krishna Kancharla and their relatives are interested or concerned in the said resolution.

The Board recommends this Resolution for your approval.

Item No. 5

Shri Duruvasan Ramchandra a Commerce Graduate, has been serving the Shriram Group for more than 3 decades. He has started his career with Shriram Chits at Chennai in the collection department and has worked his way up to being CEO and Executive Director of Shriram Chits P Ltd, Hyderabad. He was instrumental in the growth of the Company during his stint at Hyderabad and has expanded the Company from 16 branches to 202 branches.

During his tenure the Company flourished as the largest Chit Fund Company in the country in terms of Auction Turnover, No of Branches, Manpower and Customer base. His contribution has paved way for the Shriram Group to

expand its Deposit and NCD portfolio. Shri Duruvasan was the Managing Director and Principal Officer of Shriram Life Insurance Co. Ltd. He holds directorship in Shriram Life Insurance Company Limited and Shriram City union Finance Limited.

Further details required under Regulation 36 (3) of the LODR and Secretarial Standard 2 (General Meeting on appointment and re-appointment of Directors) are provided in Annexure. Except Shri Duruvasan Ramachandra, no other Director, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financial or otherwise in the proposed resolution. He is not related to any director, inter se of the Company and does not hold any share in Company.

Information pursuant to 1.2.5 of the Secretarial Standard on General Meetings (SS- 2) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, 17(1A) and regarding appointment of Director is given below: -

1.	Age	57
2.	Qualifications	B. Com
3.	Area of Experience	Financial Service business
4.	Last drawn remuneration	NA
5.	Date of first appointment on the Board	06.12.2005
6.	No. of share held	Nil
7.	Relationship with Directors, Managers & KMP	NA
8.	Number of Board Meeting attended during FY 2018-19.	6
9.	Other Directorship	2
10.	Chairman/ Member of the Committees of Boards of other companies	-
11.	Justification's for appointment	

None of the directors or their relatives are interested or concerned in the said resolution.

The Board recommends this Resolution for your approval.