



36th ANNUAL REPORT

2020 - 2021



BOARD OF DIRECTORS

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

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

Corporate Identity Number (CIN): L55100TG1985PLC045963

KEY MANAGERIAL PERSONNEL

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

BANKERS

ICICI Bank
Bank of India
IndusInd Bank

AUDITORS

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

INTERNAL AUDITOR

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

SECRETARIAL AUDITOR

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

REGISTERED OFFICE

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

SHARE TRANSFER AGENTS

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

info@cesltd.com

www.cesltd.com

LISTING AT

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



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NOTICE

NOTICE is hereby given that the 36th Annual General Meeting of. CES LIMITED will be held on Thursday, 30th day of September 2021, at 4:00 P.M. at the Registered Office of the Company through Video Conferencing (VC) facility/Other Audio Visual Means (OAVM), to transact the following Business:

ORDINARY BUSINESS

1. To consider and adopt:

a. Audited Financial Statements of the Company for the financial year ended March 31, 2021 together with reports of the Board of Directors ("the Board") and Statutory Auditors thereon.

b. Audited Consolidated Financial Statements of the Company for the financial year 31st March, 2021 together with the reports of Statutory Auditors thereon.

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

To consider reappointment of Mrs. Aruna Krishna Sabbineni (06997005), who retires by rotation and being eligible, offers himself for re-appointment as Director and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Aruna Krishna Sabbineni (06997005), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as Director of the Company, liable to retire by rotation."

BY ORDER OF THE BOARD

PLACE: HYDERABAD

DATE: 03/09/2021

Mohan Rao Kancharla

Whole- Time Director

IMPORTANT NOTES:

1. The Explanatory Statement, pursuant to Section 102 (1) of the Companies Act, 2013, setting out material facts in respect of the ordinary /special business items set out under item no 4 accompanying notice.
2. Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

A) General instructions for accessing and participating in the 36th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting

4. In view of the continuing COVID-19 pandemic, for maintaining social distancing norms and pursuant to General Circular nos. 14/2020, 17/2020, 20/2020, and 02/2021 dated April 8, 2020, April 13, 2020, May 5, 2020, and January 13, 2021, respectively, issued by the Ministry of Corporate Affairs (MCA) and Circular nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated May 12, 2020, and January 15, 2021, respectively issued by the Securities and Exchange Board of India (collectively referred to as "the Circulars"), companies are permitted to hold the AGM through VC/OAVM, without the physical presence of the members at a common venue. Accordingly, the 36th AGM of the company will be convened through VC/OAVM in compliance with the provisions of Act, and Rules made thereunder, Listing Regulations read with the Circulars.
5. In accordance with the Secretarial Standard -2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification dated April, 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
6. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
7. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with Rule 18(1) of the Companies (Management and Administration) Rules, 2014, the Notice calling the AGM along with the Annual Report for the financial year 2020-2021 is being sent in electronic mode to all the Members who have registered their e-mail ID's with the Company/Depository Participants for communication purposes. Members who have not registered their e-mail address or if there is any change in their e-mail address are requested to register/update their e-mail address for receiving all communications including Notices, Circulars, etc. from the Company electronically. Members may also note that the Annual Report for financial year 2020-2021 will also be available on the Company's website www.cesltd.com for download.

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

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



10. Attendance of the members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
11. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the time mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for first come first served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the chairpersons of the Audit Committee. Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. are allowed to attend the meeting without restriction on account of first-come first-served principle.
12. Corporate members intending to attend/vote at AGM through VC by their respective authorized representative(s) pursuant to section 113 of the Companies Act, 2013 to are requested to send their authorizations/ resolutions/ power of attorney to Mr. Mohan Rao Kancharla .(mohan.kancharla@cesltd.com) a duly certified copy of the same or upload it on the e-voting portal authorizing their representatives to attend and vote on their behalf at the Annual General Meeting of the Company.
13. The Board of Directors has appointed CS Putcha Sharada ACS No. 21717 & CP N. 8735, as a Scrutinizer to scrutinize the remote e-voting process and voting process at AGM in a fair and transparent manner and she has communicated her willingness to be appointed.
14. The scrutinizer shall, immediately after the conclusion of the e- voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e- voting and make, not later than 48 hours from conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, to Chairman or Director or Key Managerial Personnel as authorized by the Board of the Company, who shall countersign the same.
15. The results of voting will be declared within 48 hours from the conclusion of the Annual General Meeting. The results declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website www.cesltd.com and on www.evoting.nsdl.co.in. Further, the results shall be displayed on the Notice Board of the Company at its Registered Office and will also be posted on the website of Company. It shall also be communicated to relevant Stock Exchanges.
16. Electronic Voting through remote mode as per Annexure-6

BY ORDER OF THE BOARD
For CES LIMITED

PLACE: HYDERABAD
DATE: 03/09/2021

Mohan Rao Kancharla
Whole-Time Director



DIRECTORS' REPORT

To
The Members of
M/s. CES LIMITED

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

FINANCIAL RESULTS

(Rs. In Lacs)

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

BUSINESS PERFORMANCE OF THE COMPANY

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

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

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

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

NOMINATION & REMUNERATION COMMITTEE

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

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

STAKEHOLDER RELATIONSHIP COMMITTEE

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

DURING THE FINANCIAL YEAR 2020-2021, SIX BOARD MEETINGS WERE HELD AS FOLLOWS:

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

During the Financial year 2020-21, Six meetings of the Board of Directors of the Company were held on 29.06.2020, 12.08.2020, 04.09.2020, 13.11.2020, 05.12.2020 & 13.02.2021.. Detailed information on the meetings of the Board is included in the Corporate Governance Report which forms part of the Annual Report.

FINANCIALS OF SUBSIDIARY COMPANY

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

ANNUAL RETURN

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- That in the preparation of the annual accounts/financial statements for the financial year ended 31st March 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- That the accounting policies as mentioned in the financial statements were selected and applied consistently and reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period
- That proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- That the annual accounts were prepared on a going concern basis;
- That proper internal financial controls were in place and that such internal financial controls are adequate and were operating effectively; and
- That proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively

STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS -149(6)

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT (SECTION 186)

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

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

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

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

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

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

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

NO DIVIDENDS DECLARED FOR FINANCIAL YEAR 2020-2021:

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

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

(a) Conservation of Energy:

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