



CMMI Level 5 Company

CES Limited

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

Date: 06-09-2024

To
The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street Mumbai- 400 001

Scrip Code: 512341
Company Code: 2813

Dear Sir / Madam

Sub: Notice of the 39th Annual General Meeting and the Annual Report for the financial year 2023-24

This is to inform you that the 39th Annual General Meeting of the shareholders of the Company is going to be held on Monday, 30th day of September 2024, at 4:00 P.M through Video Conferencing (VC) facility/Other Audio-Visual Means (OAVM)

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations), please find attached a copy of Annual Report for the Financial Year 2023- 24 along with notice of the AGM for your information and records.

The Notice and the annual report will also be made available on the Company's website at www.cesltd.com under the investors section.

You are requested to kindly take the same on record.

Yours faithfully
For CES Limited

Suraj Kumar Garg
Company Secretary &
Compliance officer

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

CIN: L55100TG1985PLC045963

www.cesltd.com



CES LIMITED

CIN: L55100TG1985PLC045963

ANNUAL REPORT

2023 – 2024



BOARD OF DIRECTORS

Mr. Murali Krishna Tummala (DIN: 1889806)	Chairman and Independent Director
Mr. Duruvasan Ramachandra (DIN: 00223052)	Independent Director
Mr. Mohana Rao Kancharla (DIN: 00004288)	Whole-time Director
Mr. Rama Krishna Sabbineni (DIN: 01825682)	Alternate Director of Mr. Venkateswara Rao
Mr. Venkateswara Rao Davarapalli (DIN: 00028498)	Director
Mr. Sai Krishna Kancharla (DIN: 07775575)	Director
Mrs. Aruna Krishna Sabbineni (DIN: 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. N G Rao & Associates
Chartered Accountants
H No. 6-3-1186/A/6, New No.
325, 2nd Floor, Chinna
Balreddy Building, Begumpet,
Hyderabad- 500016, 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

7th 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

Aarathi 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 39th Annual General Meeting of CES Limited will be held on Monday, 30th day of September 2024, 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, 2024 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, 2024 togetherwith the reports of Statutory Auditors thereon.

2. To reappoint Smt. Aruna Krishna Sabbineni (DIN-06997005) who retires by rotation and being eligible, offers herself for re-appointment.

3. To reappoint Shri. Rama Krishna Sabbineni (DIN- 01825682) serving as an alternate director to Shri Venkateswara Rao Davarapalli (DIN- 00028498).

4. To consider and approve the appointment of M/s. N G Rao & Associates, Chartered Accounts, (Firm Registration No. 009399S) as Statutory Auditors of the Company for a term of five years.

To consider and, if thought fit, pass the following resolution(s) as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or amendments or re-enactments thereof for the time being in force) M/s. N G Rao & Associates, Chartered Accounts, (Firm Registration No. 009399S) be and are hereby appointed as the Statutory Auditors of the Company for a period of 5 years to conduct the Statutory Audit from Financial Year 2024-2025 to Financial year 2028-2029 and to hold office from the conclusion of 44th Annual General Meeting till the conclusion of Annual General Meeting to be held for the financial year 2028-2029, on such remuneration & terms of engagement, as may be mutually agreed between the Board/ Audit Committee and the Auditors of the Company from time to time.”

SPECIAL BUSINESSES:**5. Re-appointment of Shri Mohana Rao Kancharla (DIN: 00004288) as Whole time Director of the Company**

To consider and if thought fit, to pass the following resolution as an ordinary Resolution

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203 and all other applicable provisions of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force) approval of the Members of the Company be and is hereby accorded to the appointment of Shri Mohana Rao Kancharla (DIN: 00004288) as Whole time Director of the Company for a period of 5 (Five) years with effect from 30th December, 2024 on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment including remuneration in such manner as may be agreed between the Board of Directors and Shri Mohana Rao Kancharla.

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

6. Approve the creation of charge/ mortgage/ pledge/ hypothecate and/ or creation of security interest on the asset(s)/property(ies) of the company to secure borrowings.

To consider and, if thought fit, to pass the following resolution as a Special Resolution :-

“RESOLVED THAT in supersession of any resolution(s) passed earlier in this regard and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (‘the Act’), read with the Companies (Meetings of Board and its Powers) Rules, 2014, applicable provision(s) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and any other applicable provision(s), [including any modification(s) or re-enactment thereof for the time being in force], and subject to necessary approval(s), consent(s), sanction(s), permission(s) and provisions of other applicable laws, if any, the consent of the Company is hereby accorded to the Board of Directors of the Company (‘the Board’, which term shall include any duly constituted Committee or authorized officers) to mortgage, pledge, charge, hypothecate and/ or create security interest of every nature and kind whatsoever as may be necessary on such of the moveable or immovable asset(s) and property(ies) of the Company wherever situated, both



present and future, including where such assets and properties constitute the whole or substantially the whole of the undertaking of the Company in such manner as the Board / Committee of the Board may directors/ or in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusteeship companies, trusts, other bodies corporate hereinafter referred to as the (“Lending Agencies”) to secure borrowings availed/to be availed by way of loans (in foreign currency and/or in Indian currency) and securities (comprising of fully/partly convertible debentures and/ or secured premium notes and/or floating rates notes/ bonds or other debt instruments) issued/to be issued by the company from time to time, in one or more tranches provided that the total aggregate amount of borrowings (money to be borrowed, together with the money already borrowed) under the Security Interest, together with interest at agreed rates, compound interest, additional interest, liquidated damages, commitment charges, costs, charges, expenses, and all other monies payable by the Company under agreements related to said borrowings, shall not exceed the aggregate of the paid-up share capital and free reserves and securities premium account balance of the Company, apart from temporary loans obtained from the company’s bankers in the ordinary course of business, as permitted under the Act without seeking members approval.

RESOLVED FURTHER THAT the Board of Directors of the Company is authorized to deal with all matters pertaining to the creation of Security Interests on the Company’s assets or properties, encompassing decisions on which assets or properties to mortgage or charge, negotiating, finalizing, and executing agreements with lenders, and adjusting terms and conditions as necessary, to execute all relevant documents containing suitable conditions and covenants, to finalize the terms and conditions of the Security Interest, including approving amendments when required, and to undertake all necessary actions to implement this resolution, such as approving specific forms of security documentation, complying with legal formalities, and engaging legal and financial advisors and may delegate these powers to a committee or officers as deemed appropriate, subject to its oversight.

RESOLVED FURTHER THAT this resolution shall be effective immediately upon its passing and shall remain in force until further modified, amended, or rescinded by a subsequent resolution of the members.”

By the order of the Board
For CES Limited

Sd-

Suraj Kumar Garg
Company Secretary

Date : 05-09-2024
Place : Hyderabad

IMPORTANT NOTES:

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) and the Rules made thereunder, Secretarial Standard on General Meetings (“SS-2”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) wherever applicable, in respect of the special business set out in the Notice, is annexed hereto. The Board of Directors of the Company at its meeting held on 5th September, 2024, has considered and recommended to include item nos. 5 & 6 of the special business in the Notice for seeking approval of the members at the 39th Annual General Meeting (“AGM”) of the Company
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.

A) General instructions for accessing and participating in the 39th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting

3. Pursuant to General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2022, 09/2023 dated September 25, 2023, and other circulars issued by the Ministry of Corporate Affairs (‘MCA’) and the Securities and Exchange Board of India (‘SEBI’) Circular Nos. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/ CFD-PoD-2/P/CIR/2023/167 dated October 7, 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 39th AGM of the Company will be convened 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 39th AGM shall be at the Registered Office of the Company.
4. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.

5. 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 2023-2024 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 2023-2024 will also be available on the Company's website - 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 for receiving all communication including Annual report, notices from the Company electronically.

6. The Register of Members and Share Transfer Books of the Company shall remain closed from 24th September 2024 (Tuesday) to 30th September 2024 (Monday). (Both days inclusive). The Book closure date for the purpose of AGM is 23rd September, 2024
7. Company has appointed NSDL to provide facility for voting through remote e-Voting, for participation in the 39th AGM through VC/OAVM Facility and e-Voting during 39th AGM.
8. 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.
9. 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.



10. 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.
11. 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.
12. 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.
13. 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.
14. Electronic Voting through remote mode as enclosed to this notice

By the order of the Board
For CES Limited

Sd/-

Date : 05-09-2024
Place : Hyderabad

Suraj Kumar Garg
Company Secretary

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

The remote e-voting period begins on Wednesday, 25th September, 2024 (09:00 A.M) and ends on Sunday, 29th September, 2024 (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. Monday, 23rd September, 2024, 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 Monday, 23rd September, 2024.

How do I vote electronically using NSDL e-Voting system?**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.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “ Beneficial Owner ” icon under “ Login ” which is available under ‘ IDeAS ’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “ Access to e-Voting ” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	<ol style="list-style-type: none"> 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nSDL.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp 3. 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. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center; margin-top: 10px;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 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 www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 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



	<p>for casting your vote during the remote e-Voting period or joining virtual meeting & 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.</p> <ol style="list-style-type: none">3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.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 www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be 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>	<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 & 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 evoting@nsdl.com or call at 022 - 4886 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 helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can user 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.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com 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 with a copy marked to evoting@nsdl.com. 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 to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to at evoting@nsdl.com

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
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). 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.com 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). The same will be replied by the company suitably.

Explanatory Statement to the Notice of 39th AGM

Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) read with the rules made thereunder, as applicable, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and the Secretarial Standard on General Meetings (“SS-2”)

Item No-5

Based on the recommendation of Nomination and Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors has confirmed the re-appointment of Shri Mohana Rao Kancharla as Whole time Director of the Company for a period of 5 (five) years w.e.f. 30th December, 2024, subject to approval of the members in General Meeting. Shri Mohana Rao Kancharla has invaluable contributions in driving company’s business. He has played a pivotal role in expanding Company’s global presence, fostering international partnerships, and driving export operations of the Company to its new heights. It would be therefore in the interest of the Company to re-appoint Shri Mohana Rao Kancharla as Whole time Director of the Company.

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: Upto Rs.30,00,000/-per annum as per the discretion of the Board.
- 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. The total remuneration will be in accordance with the limits set forth in Section 197 of the Companies Act, 2013, which apply to companies with adequate profits.

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	66 years
2.	Qualifications	Bachelor of Commerce
3.	Area of Experience	Information Technology & Infrastructure
4.	Last drawn remuneration	Rs. 19.30 Lakhs for FY 2023-24
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 Sai Krishna Kancharla is a nephew of Shri Mohana Rao Kancharla.
8.	Number of Board Meeting	6

	attended during FY 2023-24.	
9.	Other Directorship	Eastwest Business Solutions Private Limited Infra Master Private Limited Eastwest Technologies Private Limited CES Information Systems Private Limited CES Information Technologies Private Limited CES Technology Services Private Limited CES Global It Solutions Private Limited Computech Business Solutions Private Limited
10.	Chairman/ Member of the Committees of Boards of other companies	NA

Your Directors recommend the resolution at Item No. 5 of the Notice for your approval.

Shri Mohana Rao Kancharla is interested in the said resolution as it pertains to his own appointment.

None of the Directors, Key Managerial Personnels of the Company and their relatives are, in any way, concerned or interested, financially, or otherwise, in the said resolution.

Item No-6

In terms of the provision as contained in Section 180(1) (a) of the Companies Act, 2013(‘the Act’), read with the Companies (Meetings of Board and its Powers) Rules, 2014, applicable provision(s) of SEBI (LODR) Regulations, 2015, as amended and any other applicable provisions, [including any modification(s) or re-enactment thereof for the time being in force],approval of the members of the Company by way of a special resolution is needed to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings and that the term undertaking shall mean an undertaking in which the investment of the company exceeds twenty per cent. of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty percent or more of the total income of the company during the previous financial year. The expression “substantially the whole of the undertaking” in any financial year shall mean twenty per cent. or more of the value of the undertaking as per the audited balance sheet of the preceding financial year.

Further, as per the provision of the Companies Act, 2013, a Company with the approval of the relevant committee and the Board can borrow money together with the money already borrowed up to the aggregate of the paid-up share capital and free reserves and securities premium account balance of the Company, apart from temporary loans obtained from the company’s bankers in the ordinary course of business, without seeking members approval.

The Company also, from time to time, may after detailed cost of capital analysis, avail borrowings in the form of loans or otherwise from banks, bodies corporate and/or other lending agencies to fund, inter alia, its working capital needs, capex requirements etc. and as an operating practice is thus required to mortgage, pledge, charge, hypothecate and/ or create security interest on moveable or immoveable asset(s) and property(ies) of the Company to secure such borrowings.



The creation of charge/ mortgage/ pledge/ hypothecate and/ or security interest on the asset(s)/property(ies) of the company to secure borrowings may be deemed to be the disposal of the whole, or substantially the whole, of the undertaking of the Company and hence, requires approval from the members of the Company by way of a Special Resolution.

Accordingly, it is proposed to pass an enabling resolution authorizing the board to mortgage, pledge, charge, hypothecate and/ or create security interest of every nature and kind whatsoever as may be necessary on such of the moveable or immoveable asset(s) and property(ies) of the Company wherever situated, both present and future, including where such assets and properties constitute the whole or substantially the whole of the undertaking of the Company to secure borrowings as abovementioned provided that the total aggregate amount of borrowings (money to be borrowed, together with the money already borrowed) under the Security Interest, together with interest at agreed rates, compound interest, additional interest, liquidated damages, commitment charges, costs, charges, expenses, and all other monies payable by the Company under agreements related to said borrowings, shall not exceed the aggregate of the paid up share capital and free reserves and securities premium account balance of the Company, apart from temporary loans obtained from the company's bankers in the ordinary course of business, as permitted under the Act without seeking members approval.

The Board recommends the resolution set forth in item no. 6 for the approval of the Members as a special resolution. None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution as set out in item no. 6 of the accompanying Notice.

By the order of the Board
For CES Limited

Sd/-

Date : 05-09-2024
Place : Hyderabad

Suraj Kumar Garg
Company Secretary

Directors' Report

To the Members,

The Directors present this Integrated Annual Report of CES Limited (“the Company” or “CES”) along with the audited financial statements for the financial year ended March 31, 2024.

The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

1. Financial results.

The financial performance of the Company is presented below

Standalone results - (Amount in Lakhs)

Particulars	Note No	Year Ended 31.03.2024	Year Ended 31.03.2023
		(In Lakhs)	(In Lakhs)
I. Revenue from Operations	16	22,730.16	20,371.26
II. Other Income	17	332.69	530.65
III. Total Income (I +II)		23,062.85	20,901.92
<u>IV. Expenses:</u>			
Employee Benefits expense	18	10,831.05	9,139.32
Finance costs	19	-	-
Depreciation and Amortization Expense	1	230.82	260.41
Other Expenses	20	10,921.46	10,221.15
IV. Total Expenses		21,983.34	19,620.88
V. Profit/(Loss) before exceptional items and tax (III - IV)		1,079.51	1,281.04
VI. Exceptional Items		-	-
VII. Profit/(Loss) before tax (V-VI)		1,079.51	1,281.04
VIII. Tax expense:	21		
(i) Current tax		326.43	407.80
(ii) Deferred tax		(0.07)	(21.72)

IX. Profit/(Loss) for the Year Ended from continuing operations (VII-VIII)	753.15	894.96
X. Other Comprehensive Income.		
A. Items that will not be reclassified subsequently to Profit or Loss		
(i) Remeasurement of defined employee benefit plans (net of tax)	15.65	149.17
B. Items that will be reclassified to subsequently to Profit or Loss		
(i) Exchange differences on foreign currency transactions (net of tax)	19.42	296.43
Total Comprehensive Income for the Year Ended	788.21	1,340.56
XI. Earnings per equity share (for continuing operation):		
(1) Basic	2.07	2.46
(2) Diluted	2.07	2.46

Consolidated results - (Amount in Lakhs)

Particulars	Consolidated 31-03-2024	Consolidated 31-03-2023
	(In Lakhs)	(In Lakhs)
I. Revenue from Operations	46,886.60	42,645.23
II. Other Income	328.86	623.02
III. Total Income (I +II)	47,215.46	43,268.26
<u>IV. Expenses:</u>		
Employee Benefits expense	23,350.17	21,548.87
Finance costs	57.83	45.63
Depreciation and amortization expense	412.68	441.56
Other Expenses	19,655.83	18,380.18
IV. Total Expenses	43,476.51	40,416.23
V. Profit before exceptional and extraordinary items and tax (III - IV)	3,738.94	2,852.03

VI. Exceptional Items		
VII. Profit before extraordinary items and tax (V - VI)	3,738.94	2,852.03
VIII. Extraordinary Items	-	-
V. Profit/(Loss) before exceptional items and tax (III - IV)	3,738.94	2,852.03
VI. Exceptional Items	-	-
VII. Profit/(Loss) before tax (V-VI)	3,738.94	2,852.03
VIII. Tax expense:		
(i) Current tax	1,099.65	941.97
(iv) Deferred tax	(8.82)	(41.37)
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)	2,648.11	1,951.43
X. Other Comprehensive Income.		
A. Items that will not be reclassified subsequently to Profit or Loss		
(i) Remeasurement of defined employee benefit plans (net of tax)	120.82	215.50
B. Items that will be reclassified to subsequently to Profit or Loss		
(i) Exchange differences on foreign currency transactions (net of tax)	24.24	293.95
Total Comprehensive Income for the period	2,793.17	2,460.89
XI. Attributable to		
Shareholders of the Company	2,443.21	2,293.37
Non-Controlling Interests	349.96	167.51
XII. Earnings per equity share (for continuing operation):		
(1) Basic	7.28	5.36
(2) Diluted	7.28	5.36

2. Business performance of the company.

Standalone: Our revenue for financial year 2023-24 is Rs. 22,730.16 lakhs and our profit after tax (PAT) Rs. **788.21 lakhs**.

Consolidated: Our revenue for financial year 2023-24 is Rs. 46,886.60 lakhs and our consolidated profit after tax (PAT) is Rs **2,793.17 lakhs**.

3. Transfer to reserves.

During the end of the financial year 2024 the Company has not transferred any amount to reserves.

4. Dividend declaration.

The Company is at expansion mode; therefore, Board is of Opinion that there is no need to declare dividends for the financial year ended 31st March, 2024.

5. Quality initiatives.

The Company continues to strengthen its commitment to the highest levels of quality, superior customer experience, best-in-class service management, robust information security and privacy practices and mature business continuity management.

6. Subsidiary companies.

On March 31, 2024, the Company has 4 subsidiaries and there has been no material change in the nature of the business of the subsidiaries. There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 (“Act”).

The names of the subsidiaries 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

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company’s subsidiaries in Form No. AOC-1 is attached to the financial statements of the Company.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the Company’s website at <https://cesltd.com/investors/>.

7. Directors' responsibility statement.

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. They have taken proper and sufficient care for the 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 fraud and other irregularities;
- iv. They have prepared the annual accounts on a going concern basis;
- v. They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2024.

8. Directors and Key Managerial Personnel.

As on March 31, 2024, the Company has seven Directors with an optimum combination of Executive and Non-Executive Directors including one women director and one alternate director.

Pursuant to the provisions of Section 203 of the Act, Mr. Mohana Rao Kancharla, Whole time Director, Mr. Srinivas Raju Kucherlapati, Chief Financial Officer and Mr. Suraj Kumar Garg, Company Secretary are the Key Managerial Personnel of the Company as on March 31, 2024.

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

9. Number of meetings of the Board.

Six meetings of the Board were held during the year. For details of meetings of the Board, please refer to the Corporate Governance Report, which is a part of this report.

10. Board evaluation.

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017. In a separate meeting of Independent Directors, performance of Non-Independent directors, the Board as a whole was evaluated.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

At the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its Committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

11. Policy on directors' appointment and remuneration and other details.

The Company's policy on appointment of directors is available on the Company's website at <https://cesltd.com/investors/>.

The policy on remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on the Company's website at <https://cesltd.com/investors/>.

12. Corporate Social Responsibility (CSR).

CES CSR initiatives and activities are aligned to the requirements of Section 135 of the Act.

A brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Corporate Social Responsibility report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, which is a part of this report. This Policy is available on the Company's website at <https://cesltd.com/investors/>.

For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report.

13. Internal financial control systems and their adequacy.

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

14. Audit committee.

The details pertaining to the composition of the Audit Committee are included in the Corporate Governance Report, which is a part of this report.

15. Statutory Auditors.

M/s. P. Murali & Co, Chartered Accountants, (Registration number: 007257S), the Auditors of the Company had resigned as statutory auditors of the Company with effect from 14th November, 2023 due to pre-occupation, thereby resulting in a casual vacancy in the office of Auditors.

In terms of the provision of Section 139(8) of the Companies Act, a casual vacancy arising due to resignation of Auditor can be filled by the Board of Directors within thirty days and such appointment shall also be approved by the company at a general meeting convened within three months of the recommendation of the Board and the Auditor shall hold the office till the conclusion of the next annual general meeting.

In order to fill up the casual vacancy caused by the resignation of the auditors, the Board of Directors of the Company ('the Board'), upon recommendation of the Audit Committee ('the Committee') at its meeting held on 11th December, 2023, have appointed M/s. N G Rao & Associates, Chartered Accountants, (Firm Registration No. 009399S), as the Auditors of the Company, until the conclusion of next Annual General Meeting to be held in 2024.

The approval of shareholders was sought by Postal Ballot Notice dated December 16, 2023. The resolution was duly passed by the shareholders.

The Board has suggested re-appointing N G Rao & Associates for another five-year term. Approval from the Company members is being sought through an ordinary resolution included in the notice for the upcoming AGM.

16. Auditor's report and Secretarial audit report.

The statutory auditor's report and the secretarial auditor's report do not contain any qualifications, reservations, or adverse remarks or disclaimer.

The statutory audit report and the Secretarial audit report of the Company and its material subsidiaries being CES Information Technologies Private Limited and CES Global IT Solutions Private Limited forms part of this report.

17. Risk management.

Company has a robust Business Risk Management framework to identify, evaluate business risks and opportunities.

18. Vigil Mechanism.

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in conformation with Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulations, to report concerns about unethical behaviour. This Policy is available on the Company’s website at <https://cesltd.com/investors/>.

19. Particulars of loans, guarantees and investments.

The particulars of loans, guarantees and investments as per Section 186 of the Act by the Company, have been disclosed in the financial statements.

20. Transactions with related parties.

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2024 and hence does not form part of this report.

21. Annual Return.

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2024 is available on the Company’s website at <https://cesltd.com/investors/>.

22. Particulars of employees.

The information under Section 197 of the Act read with Rule 5 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 and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year:

Amount in Lakhs		
Name	Ratio to median remuneration	% increase in remuneration in the financial year
Non-executive Directors (excluding sitting fees paid to Independent Directors) :	Nil	Nil
Executive Director:	2.27	2.60%

Chief Financial Officer:	2.96	15.41%
Company Secretary:	1.59	48.04%

The percentage increase in the median remuneration of employees in the financial year is 12% percent.

The number of permanent employees on the rolls of Company are 839.

The average annual increase in remuneration for the employees was 12% percent.

Increase in the managerial remuneration for the year was 2.60% percent for Wholetime Director.

The Company affirms that the remuneration is as per the remuneration policy of the Company.

As required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, were hereby report that there no employees who received remuneration in excess of the limits prescribed which are presented below: -

- (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees;
- (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month;
- (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

23. Disclosure requirements.

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the integrated Management Discussion and Analysis, form part of the Director's Report.

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

24. Deposits from public.

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

25. Conservation of energy, technology absorption, foreign exchange earnings and outgo

(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	31.03.2024	31.03.2023
Foreign Exchange Earnings	21,785.30	19,679.72
Foreign Exchange Outgo (Foreign travelling)	44.81	-

26. 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

27. 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.

28. 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 2024 and the date of Board's Report.

29. 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.

30. 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.

31. Acknowledgements.

The Directors thank the Company's employees, customers, vendors, investors and academic partners for their continuous support. The Directors also thank the Government of India, Governments of various states in India, Governments of various countries and concerned Government departments and agencies for their co-operation. The Directors appreciate and value the contribution made by every member of the CES family

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

Date	:	05-09-2024	Mohana 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

Sl. No.	Particulars	Details
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	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
4.	Share capital	1,00,000/-
5.	Reserves & surplus	20,87,38,942/-
6.	Total assets	27,37,52,134/-
7.	Total Liabilities	6,49,13,192/-
8.	Investments	-
9.	Turnover	46,75,47,170/-
10.	Profit before taxation	7,32,63,242/-
11.	Provision for taxation	2,09,87,585/-
12.	Profit after taxation	5,22,75,657/-
13.	Proposed Dividend	Nil
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	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
4.	Share capital	₹ 1,00,000/-
5.	Reserves & surplus	₹ 41,43,56,803/-
6.	Total assets	₹ 53,89,61,272/-
7.	Total Liabilities	₹ 12,45,04,469/-
8.	Investments	-
9.	Turnover	₹ 75,75,52,174/-
10.	Profit before taxation	₹ 14,47,31,068/-
11.	Provision for taxation	₹ 4,15,57,767/-
12.	Profit after taxation	₹ 10,31,73,301/-
13.	Proposed Dividend	Nil
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	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
4.	Share capital	₹ 1,00,000/-
5.	Reserves & surplus	₹ 2,24,62,278/-
6.	Total assets	₹ 2,34,56,087/-
7.	Total Liabilities	₹ 8,93,809/-
8.	Investments	-
9.	Turnover	-
10.	Profit before taxation	₹ 10,17,665/-
11.	Provision for taxation	₹ 2,56,103/-
12.	Profit after taxation	₹ 7,61,562/-
13.	Proposed Dividend	Nil
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 - 83.3739
4.	Share capital	\$ 780,000/-
5.	Reserves & surplus	\$ 6267106/-
6.	Total assets	\$ 16697097/-
7.	Total Liabilities	\$ 96,49,991/-
8.	Investments	-
9.	Turnover	\$ 25,259,392/-
10.	Profit before taxation	\$ 545,862/-
11.	Provision for taxation	\$ 164,799/-
12.	Profit after taxation	\$ 381,063/-
13.	Proposed Dividend	-
14.	% of shareholding	100%

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

1. Names of subsidiaries which are yet to commence operations - Nil
2. 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			

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

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

Date	:	05-09-2024	Mohana Rao Kancharla	Rama Krishna Sabbineni
Place	:	Hyderabad	DIN: 00004288	DIN: 01825682
			Whole- Time Director	Director

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, 2024 (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, 2024 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	:	19-06-2024	Sarada Putcha
Place	:	Hyderabad	Practicing Company Secretary
UDIN	:	A021717F000588976	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	:	19-06-2024	Sarada Putcha
Place	:	Hyderabad	Practicing Company Secretary
UDIN	:	A021717F000588976	ACS No. 21717
			CP No. 8735

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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, 2024 (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, 2024 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.

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 : 18-06-2024
Place : Hyderabad
UDIN : A021717F000586127

SD/-
Sarada Putcha
Practicing Company Secretary
ACS No. 21717
CP No. 8735
Peer review number: I2009PA699500

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 : 18-06-2024
Place : Hyderabad
UDIN : A021717F000586127

SD/-
Sarada Putcha
Practicing Company Secretary
ACS No. 21717
CP No. 8735
Peer review number: I2009PA699500

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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, 2024 (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, 2024 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.

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
Company Secretaries

Date : 24/06/2024
Place : Raipur

Sd/-
Hariskhit Sinha
M No. 60604
CP No. 22768
UDIN: A060604F000611429
Peer Review: 2266/2022

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
Company Secretaries

Date : 24/06/2024
Place : Raipur

Sd/-
Hariskhit Sinha
M No. 60604
CP No. 22768
UDIN: A060604F000611429
Peer Review: 2266/2022

THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) Overview of the Industry

The journey over the past few years has been eventful, starting with supply-chain disruptions in the aftermath of the pandemic, the Russia-Ukraine war that triggered a global energy and food crisis, and a considerable surge in inflation, followed by a globally synchronized monetary policy tightening. The global GDP is estimated to have grown at 3.2% in CY 2023, lower than 3.5% in CY 2022 (As per Nasscom, World Economic Outlook, IMF, April 2024) , led by fears of a hard recession. Yet, despite many gloomy predictions, the world avoided a recession, the banking system proved largely resilient, and major emerging market economies did not suffer sudden stops. Economic growth has been stronger than expected in the second half of 2023 in the United States, and several major emerging market and developing economies. However, the rising momentum was not felt everywhere, with notably subdued growth in the euro area, reflecting weak consumer sentiment, the lingering effects of high energy prices, and weakness in interest-rate-sensitive sectors.

Unmet revenue expectations have ushered in a new wave of pragmatism where maintaining a healthy profit margin has become pivotal for corporations due to the uncertain macrooutlook. In extreme cases, organizations resorted to cost-cutting measures, such as reducing headcount and cutting discretionary spending, including IT services. Organizations taking a more rational approach are simply shifting the emphasis of ongoing IT projects toward cost control, efficiencies and automation while curtailing IT initiatives with longer RoIs. Global technology spending on Enterprise software and IT services was close to the US\$2.3 trillion (As per Gartner report) mark in CY 2023, with IT services growing at 6.1% YoY to US\$1.4 trillion.

b) 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

c) 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.

d) 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.

e) 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.

f) Discussion on financial performance with respect to operational performance**I. Consolidated**

Our revenue for financial year 2023-24 is Rs. 46,886.60 lakhs and our consolidated profit after tax (PAT) is Rs 2,793.17 lakhs.

II. Standalone

Our revenue for financial year 2023-24 is Rs. 22,730.16 lakhs and our profit after tax (PAT) Rs. 788.21 lakhs.

g) Segment-wise or product-wise performance

Segment wise results (standalone):

Business segments: (Amount in Lakhs)

Profit and Loss Statements for the year ended 31st March 2024	IT Services	IT Enabled Services	Total
Revenues	7,823.22	14,906.94	22,730.16
Direct Expenses	3,727.81	7,103.24	10,831.05
Gross Income	4,095.41	7,803.69	11,899.11
Less: Un-allocated Expenses			11,152.28
Add: Interest & Other Income			332.69
Net Profit Before Taxes			1,079.51
Income Taxes			326.37
Net Profit After Taxes			753.15

Geographical segments: (Amount in Lakhs)

Profit and Loss Statements for the year ended 31st March 2024	USA	DOMESTIC	Total
Revenues	22,705.59	24.57	22,730.16
Direct Expenses	10,819.15	11.91	10,831.05
Gross Income	11,886.44	12.66	11,899.11
Less: Un-allocated Expenses			11,152.28
Add: Interest & Other Income			332.69
Net Profit Before Taxes			1079.51
Income Taxes			326.37
Net Profit After Taxes			753.15

Segment wise results (consolidated):

Business segments: (amount in lakhs)

Profit and Loss Statements for the year ended 31st March 2024.	IT Services	IT Enabled Services	Total
Revenues	19,376.61	27,509.99	46,886.60
Direct Expenses	9,649.82	13,700.35	23,350.17
Gross Income	9,726.79	13,809.64	23,536.43
Less: Un-allocated Expenses			20,126.34
Add: Interest & Other Income			328.86
Net Profit Before Taxes			3,738.94
Income Taxes			1,090.83
Net Profit After Taxes			2,648.11

Geographical segments: (amount in lakhs)

Profit and Loss Statements for the year ended 31st March 2024.	USA	DOMESTIC	Total
Revenues	46,857.10	29.50	46,886.60
Direct Expenses	23,335.87	14.30	23,350.17
Gross Income	23,521.23	15.20	23,536.43
Less: Un-allocated Expenses			20,126.34
Add: Interest & Other Income			328.86
Net Profit Before Taxes			3,738.94
Income Taxes			1090.83
Net Profit After Taxes			2,648.11

h) Risks and concerns.

i. 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.

ii. 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 2023-24. Our Company has taken necessary steps to ensure Compliance of all the above.

iii. 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.

iv. 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.

V. 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.

vi. 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.

i) 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.

j) DETAILS OF KEY FINANCIAL RATIOS

Ratios	Numerator	Denominator	Current year	Previous year	Variance (in %)
Current ratio (in times)	Total current assets	Total current liabilities	2.29	2.03	12.63
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	7.58%	10.09%	15.40
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	5.44	5.99	(9.16)
Trade payables turnover ratio (in times)	Purchase of Services and other expenses	Average trade payables	12.61	8.89	41.80

Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e., Total current assets less Total current liabilities)	3.98	4.22	(5.69)
Net profit ratio (in %)	Profit for the year	Revenue from operations	3.31%	4.39%	-1.08%
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Tangible Net worth + Lease liabilities + Deferred tax liabilities	10.22%	13.14%	-2.92%
Return on investment (in %) - Unquoted	Income generated from invested funds	Average invested funds in treasury investments	165%	95%	69.91%

* The company does not have any borrowings and lease liabilities

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

k) Material developments in Human Resources / Industrial Relations front, including number of people employed

There were no material developments in Human Resources / Industrial Relations front. The number of people employed as on 31st March 2024 was 839.



1) Details of any change in return on net worth as compared to the immediately previous financial year along with a detailed explanation thereof

The net worth grew by Rs. 7,88,21,471 (8.27%) as compared to previous financial year due to deployment of profits.

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

Date	:	05-09-2024	Mohana 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
Woman Director	Mrs. Aruna Krishna Sabbineni
Whole-time Director	Mr. Mohana Rao Kancharla
Promoter Group	Mr. Sai Krishna Kancharla
	Mr. Rama Krishna Sabbineni (Alternate Director for Mr. Venkat Davarapalli)

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 st March, 2024	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	6	6	Yes	4	-	-	-
Mr. Duruvasan Ramachandra	6	6	Yes	4	-	-	1

Mr. Mohana Rao Kancharla	6	6	Yes	8	-	-	-
Mr. Sai Krishna Kancharla	6	6	No	4	-	-	-
Mr. Venkat Davapalli (Mr. Rama Krishna Sabbineni is alternate Director)	6	4	No	2	-	-	-
Mrs. Aruna Krishna Sabbineni	6	4	No	5	-	-	-

Date of the Board Meeting	Board Strength	No. of Directors present/ required to Present
30-05-2023	6	5
14-08-2023	6	6
04-09-2023	6	6
08-11-2023	6	6
11-12-2023	6	4
14-02-2024	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 and are independent of the management.

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 Davarpalli Rao.

3 AUDIT COMMITTEE:

Terms of reference:

The terms of reference of Audit Committee encompass the requirements of Section 177 of Companies Act, 2013 and Regulation 18 of SEBI LODR (Regulations) 2015.

The terms of reference inter-alia includes:

- Oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board the appointment and removal of external auditor and fixation of audit fees and also approval of payment for any other services.
- Reviewing, with the management, the annual financial statements before submission to the Board focusing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and other legal requirements relating to financial statements.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with external auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To Review 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, 2024:

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

#The Audit Committee consists of two Independent Directors as members.

Meetings and Attendance:

Five Audit Committee Meetings were held during the year ended 31st March 2024. The maximum time gap between any of the two meetings was not more than four months.

Audit Committee Meetings held during the year 2023-24 and attendance details:

Date of the Meeting	Committee Strength	No. of Directors present
30-05-2023	3	2
14-08-2023	3	3
08-11-2023	3	3
11-12-2023	3	3
14-02-2024	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, 2024:

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
14-02-2024	3	3

5 RISK MANAGEMENT COMMITTEE IS NOT APPLICABLE TO THE COMPANY.

6 DETAILS OF SENIOR MANAGEMENT: PARTICULARS OF SENIOR MANAGEMENT INCLUDING THE CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR : There was no changes in the senior management since the close of previous financial year. Mr. Mohana Rao Kancharla is the whole time Director of the Company in the senior management.

7 STAKEHOLDERS' RELATIONSHIP 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

8 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
Salary	18
Leave encashment	1.3
Commission	-
Contribution to Provident Fund and Superannuation Fund	-
Benefits	-
Total	19.30

9 GENERAL BODY MEETINGS:

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

Financial Year	Location of AGM	Date & Time of AGM
2022-23	Seventh Floor Ramky Selenium, Nanakramguda, Gachibowli, Hyderabad-500032 (Via audio n visual means)	29 th September, 2023 at 4.00 PM
2021-22	Seventh Floor Ramky Selenium, Nanakramguda, Gachibowli, Hyderabad-500032 (Via audio n visual means)	30 th September, 2022 at 4.00 PM
2020-21	Seventh Floor Ramky Selenium, Nanakramguda, Gachibowli, Hyderabad-500032 (Via audio n visual means)	30 th September, 2021 at 4.00 PM

(b) Whether any special resolutions passed in the previous three Annual General Meetings; No

(c) whether any special resolution passed last year through postal ballot – details of voting pattern; No.

An ordinary resolution was passed with 100% votes in favor of the resolution in connection with appointment of M/s. N G Rao & Associates as statutory auditors of the Company to fill up casual vacancy caused by resignation of M/s. P. Murali & Co, Chartered Accountants. Details of the voting pattern are provided below: -

Promoter / Public	No. of Shares held	No. of votes polled by e-voting	No. of votes In favor	% of votes In favour	No. of votes Against	% of votes Against
Promoter and promoter group	2,72,42,012	2,47,92,012	2,47,92,012	100%	-	-
Public-Institutions	-	-	-	-	-	-
Public – Others	91,57,988	34,25,800	34,25,800	100%	-	-
Total	3,64,00,000	2,82,17,812	2,82,17,812	100%	-	-

(d) Person who conducted the postal ballot exercise;

Mr. Hariskhit Sinha (Membership No. A60604) Practising Company Secretary, was appointed as the Scrutinizer to scrutinize the postal ballot process by voting through electronic means only (remote e-voting) in a fair and transparent manner

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

None of the business items proposed for the upcoming AGM require the passing of a special resolution via postal ballot. However, a special resolution under Section 180(1)(a) will be sought at the meeting. Shareholders will have the option to vote electronically on this resolution.

(f) Procedure for postal ballot.

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020 and subsequent circulars issued in this regard, the latest being 9/2023 dated September 25, 2023, respectively issued by the Ministry of Corporate Affairs

10 MEANS OF COMMUNICATION:

Financial Results: The financial results are published in the website of the Company and the website of BSE Limited on quarterly basis.

Newspapers wherein results normally published;

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

Website, where displayed;

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

Whether it also displays official news releases;

Not applicable

Presentations made to institutional investors or to the analysts.

The Company has not made any Investor related presentation in the 2023-24.

11 GENERAL SHAREHOLDER INFORMATION:

a) Annual general meeting - Date, Time and Venue;

Annual general meeting to be held on 30.09.2024 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).

b) **Financial year;** Accounts for the financial year 2023-24 to be adopted.

c) **dividend payment date: Not applicable.**

d) **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.

e) Stock code;

Stock code for Bombay Stock Exchange: 512341

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

S. No	Month 2023-24	High	Low
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

g) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc; There has been no movement in the share price of the Company during the period under review.

h) Registrar to an issue and share transfer agents;

Aarthi Consultants Private Limited

i) ISIN for the Equity Shares: INE396F01013

j) Share transfer system; These are taken care by RTA of the Company.

k) Distribution of shareholding;

l) Distribution of Shareholding as on 31st March, 2024:

Sl No	Category	No of shareholders	% of shareholders to total shareholders	No of Shares held	Amount of shares	% of total shares
1	1 - 5000 Shares	2	7.69%	280	2800	0.001%
2	5001 - 10000 shares	-	-	-		
3	10001 & Above shares	23	92.31%	36399720	363997200	99.999%

m) Dematerialization of shares and liquidity;

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	26541340	72.92
5	Physical	3498600	9.61
6	Total no. of Shares	36400000	100.00

n) 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.

o) Commodity price risk or foreign exchange risk and hedging activities;

Not applicable.

p) list of all credit ratings obtained: Not applicable.

q) Office Locations

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



CHENNAI

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

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

SSPDL Alpha City
First Floor Beta Block No.25,
Rajiv Gandhi Salai, Navalur,
Chennai- 603103

USA

DETROIT

100 W. Kirby St, Suite # 105
Detroit, MI 48202.
Tel No. (313) 887 0832
Fax (313) 887 9452

CHICAGO

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Tel No. (630) 2968939
Fax: (630) 296 8940

DALLAS

5550 Granite Parkway,
Suite # 120, Plano
TX 75024
Tel No. (214) 677 9234
(214) 677 9300

CANADA

WINDSOR

2679 Howard Avenue
Suite # 524
Windsor, ON NBX 3x2
Tel No. (416) 362 6500
Fax: (416) 362 4855

UAE

DUBAI

SAB Tech Building
First Floor 318th Road, AL Quoz 3
Dubai, UAE
Tel: (971) 4347 5380
Fax: (971) 4347 5379

VISHAKHAPATNAM

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

Geographical Locations



12 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 forms part of this report
- (i) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

Type of Service	CES Limited	
	2023-24	2022-23
Audit Fee	6,00,000/-	2,00,000/-
Tax Audit Fee	2,00,000/-	1,00,000/-
Others	-	-
Total	8,00,000/-	3,00,000/-

Subsidiary companies:

Type of Service	CES Technology Services Private Limited	
	2023-24	2022-23
Audit Fee	36,000/-	36,000/-
Tax Audit Fee	-	-
Others	-	-
Total		36,000/-

Type of Service	CES Global IT Solutions Private Limited	
	2023-24	2022-23
Audit Fee	50,000/-	36,000/-
Tax Audit Fee	-	-
Others	-	-
Total	50,000/-	36,000/-

Type of Service	CES Information Technologies Private Limited	
	2023-24	2022-23
Audit Fee	50,000/-	30,000/-
Tax Audit Fee	-	-
Others	-	-
Total	50,000/-	30,000/-

(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 2023-2024 ,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.

**13 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**

14 CERTIFICATE FROM THE COMPANY SECRETARY IN PRACTICE: 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.

15 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

disclosure by listed entity and its subsidiaries of ‘Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: No such instance.

16 DETAILS of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

Name of material subsidiary	Date of incorporation	Place of incorporation	Name of the statutory auditors	Date of appointment of the statutory auditors
CES Information Technologies Private Limited (CIN- U72200TG2006PTC049332)	01 March 2006	India	N G Rao & Associates	12/12/2023
CES Global It Solutions Private Limited (CIN- U72200TG2014PTC095431)	28 August 2014	India	N G Rao & Associates	12/12/2023



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

Date	:	05-09-2024	Mohan Rao Kancharla	Rama Krishna Sabbineni
Place	:	Hyderabad	DIN: 00004288	DIN: 01825682
			Whole- Time Director	Director

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company

Corporate Social Responsibility (CSR) is a public spirited cause that has been well introduced by the new Companies Act 2013. Through the CSR there is a formation of a dynamic relationship between a company on one hand and the society and environment on the other. CSR is traditionally driven by a moral obligation and philanthropic spirit which resonates with the policy of the Company.

The main responsibilities of the Company towards society at large are to eradicate hunger, poverty and malnutrition; promote preventive health care and sanitation and making available safe drinking water, promoting gender equality and empowering women.

2. Composition of the CSR committee:

SI. No	Name	Designation / Category	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year.
1	Mr. Murali Krishna Tummala (01889806)	Chairman (Independent Director)	1	1
2	Mr. Rama Krishna Sabbineni (01825682)	Member (Non- Executive Director)	1	1
3	Mr. Mohana Rao Kancharla (00004288)	Executive Director	1	1

3. Web-link where Composition of CSR committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company.

Composition of the CSR committee shared above and is available on the Company's website at <https://cesltd.com/investors/>

CSR policy - <https://cesltd.com/investors/>

CSR projects - <https://cesltd.com/investors/>

4. **Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:** Not applicable.
5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2022-23	Nil	Nil
2	2021-22	Nil	Nil
3	2020-21	Nil	Nil
	Total	Nil	Nil

6. **Average net profit of the Company as per sub-section (5) of Section 135:** 1333.52 Lakhs
7. (a) **Two percent of average net profit of the Company as per sub-section (5) of section 135:** 26.67 Lakhs
- (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** NA
- c) **Amount required to be set off for the financial year, if any:** NA
- d) **Total CSR obligation for the financial year (7a+7b-7c):** 26.67 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Accounts as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
	Nil				

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.												
2.												
3.												
	Total											

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in Rs.).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	CES_CSR	Eradication of hunger and malnutrition	Yes	Telangana	Rangareddy	-26.67 Lakhs	No	Yes	CSR00003923
Total						26.67 Lakhs			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	26.67 Lakhs
(ii)	Total amount spent for the Financial Year	26.67 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years: NA

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1.							
2.							
3.							
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NA

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of the reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1								
2								
3								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not applicable.

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : Not applicable

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

Date	:	05-09-2024	Mohana 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 31st March, 2024 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	:	05-09-2024	Mohana 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:

A. We have reviewed the financial statements including the cash flow statement (standalone and consolidated) for the financial year ended March 31, 2024 and that these statements:

- i. do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
- ii. together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations

B. There are no transactions entered into by the Company during the year, which are fraudulent, illegal or violate the Company's code of business conduct and ethics.

C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.

D. We have disclosed, wherever applicable, to the auditors and the audit committee:

- i. That there were no deficiencies in the design or operations of internal controls that could adversely affect the Company's ability to record, process, summarize and report financial data including any corrective actions;
- ii. that there are no material weaknesses in the internal controls over financial reporting
- iii. that there are no significant changes in internal control over financial reporting during the year
- iv. all significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and



v. that there are no instances of significant fraud of which we have become aware of and involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting

For CES Limited

Mohana Rao Kancharla
Whole Time Director

Srinivas Raju Kucherlapati
Chief Financial Officer

Date: 30-05-2024

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) 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, 2024 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-Mar-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	:	19-06-2024	Sarada Putcha
Place	:	Hyderabad	Practicing Company Secretary
UDIN	:	A021717F000589636	ACS No. 21717 CP No. 8735



CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members
CES Limited

CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with terms of my engagement with CES Limited ('the Company')
2. I, the undersigned, Practicing Company Secretary have examined all relevant records of the Company as provided by the Company through the physical/virtual data room for the purpose of certifying the compliance of the disclosure requirements and corporate governance norms as specified for the Listed Companies as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR'), for the financial year ended 31st March 2024. I have obtained all the information and explanations, which, to the best of my knowledge and belief, is necessary for the purpose of this certification.

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.

MY RESPONSIBILITY

4. My 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.

OPINION

5. In my opinion, and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as specified for listed company in the LODR for the above financial year.
6. I 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.

Date	:	05-09-2024	Sarada Putcha
Place	:	Hyderabad	Practicing Company Secretary
UDIN	:	A021717F001139603	ACS No. 21717 CP No. 8735

INDEPENDENT AUDITOR'S REPORT

To The Members of
M/s. CES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **M/s. CES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity 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 Responsibility for the Audit of the 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 ethical requirements that are relevant to our audit of the 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are 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 with reference to financial statements 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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 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 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, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, the company being a private limited company, provision of section 197 of the act are not applicable.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations.
 - ii. The Company did 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.
 - (a) 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 person(s) or entity, 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 on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity, 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 by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) 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), as provided under (a) and (b) above, contain any material misstatement.

- v. No dividend has been declared / paid during the year. Accordingly, the provisions of section 123 of the Act are not applicable.
 - vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
2. As required by the Companies(Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For N G RAO & ASSOCIATES
Chartered Accountants
FRN: 009399S

Place: Hyderabad
Date: May 30th, 2024

Parsa Kiran
Partner
Membership No: 220629
UDIN: 24220629BKEZNN6203

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **M/s. CES LIMITED** ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 with reference to financial statements. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements 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 N G RAO & ASSOCIATES

Chartered Accountants

FRN: 009399S

Place: Hyderabad
Date: May 30TH, 2024

Parsa Kiran
Partner

Membership No: 220629

UDIN: 24220629BKEZNN6203

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets:
 - (a)
 - (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a program of physical verification of property, plant and equipment and right-of-use assets so to cover all the assets every year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The title deeds of immovable properties are held in the name of the company.
 - (d) The Company has not revalued any of its property, plant and equipment (including right of-use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
 - (a) The company does not hold any inventories.
 - (b) The company has not been sanctioned working capital limits in excess of Rs. 5 Crore, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets.
- iii. The Company has not made investments in, nor provided any guarantee or security or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The Central government does not prescribe maintenance of cost records under section 148(1) of the Companies Act.

vii.

- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax or any other material statutory dues, which have been deposited on account of any disputes except the following:

Name Of the Statute	Nature of dues	Amount (Rs.)	Period to which amount relates (Financial Year)	Forum where dispute is Pending
Income Tax Act,1961	Income Tax	60,85,890 /-	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. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix.

- (a) The Company doesn't have any loans and borrowings.
- (b) The Company has not been declared wilful 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 or associates.

- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies.
- x.
- (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- xi.
- (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under subsection (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there were no whistle blower complaints received by the company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv.
- (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi.
- (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company 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 and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not 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 date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx.
- (a) There are no unspent amounts under sub-section (5) of Section 135 as per the Companies Act, 2013.

For N G RAO & ASSOCIATES
Chartered Accountants
FRN: 009399S

Place: Hyderabad
Date: May 30TH, 2024

Parsa Kiran
Partner
Membership No: 220629
UDIN: 24220629BKEZNN6203

CES LIMITED

Standalone Balance Sheet as at March 31, 2024

Particulars	Note No	As on 31.03.2024	As on 31.03.2023
		(In Lakhs)	(In Lakhs)
ASSETS:			
1 Non-Current Assets:			
(a) Property, Plant and Equipment and Intangible Assets			
(i) Property, Plant and Equipment	1	3,621.33	3,703.86
(ii) Capital Work-in-progress		1,092.82	155.51
(iii) Goodwill		0.08	28.71
(b) Investments	2	1,004.39	1,004.39
(c) Other Non Current Assets	3	429.68	425.86
2 Current Assets:			
(a) Financial Assets:			
(i) Trade Receivables	4	4,650.88	3,706.02
(ii) Cash and Cash Equivalents	5	3,989.60	6,210.10
(iii) Loans	6	1,085.83	1,038.09
(b) Other Current Assets	7	617.45	96.85
Total		16,492.04	16,369.38
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	8	3,640.00	3,640.00
(b) Other Equity	9	6,684.29	5,896.08
Liabilities			
2 Non-Current Liabilities			
(a) Financial Liabilities:			
(i) Borrowings	10	-	-
(b) Provisions	11	1,401.88	1,147.22
(c) Deferred Tax Liabilities (Net)	12	241.01	241.04
3 Current Liabilities			
(a) Financial Liabilities:			
(i) Trade Payables	13	1,105.54	800.48
(b) Other Current Liabilities	14	2,776.75	3,933.13
(c) Provisions	15	642.57	711.43
Total		16,492.04	16,369.38

Summary of Significant Accounting Policies

The accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

For NG Rao & Associates,
Chartered Accountants
Firm Regn. No: 009399S

For and on behalf of Board
CES Limited

Kiran Parsa
Partner
Membership No. 220629

Mohana Rao K
Director
DIN: 00004288

Rama Krishna S
Director
DIN: 01825682

Place : Hyderabad
Date : 30th May, 2024

Srinivasa Raju K
C.F.O

Suraj Garg
Company Secretary

CES LIMITED

Standalone Statement of Profit and Loss for the Year ended March 31, 2024

Particulars	Note No	Year Ended	Year Ended
		31.03.2024	31.03.2023
		(In Lakhs)	(In Lakhs)
I. Revenue from Operations	16	22,730.16	20,371.26
II. Other Income	17	332.69	530.65
III. Total Income (I +II)		23,062.85	20,901.92
<u>IV. Expenses:</u>			
Employee Benefits expense	18	10,831.05	9,139.32
Finance costs	19	-	-
Depreciation and Amortization Expense	1	230.82	260.41
Other Expenses	20	10,921.46	10,221.15
IV. Total Expenses		21,983.34	19,620.88
V. Profit/(Loss) before exceptional items and tax (III - IV)		1,079.51	1,281.04
VI. Exceptional Items		-	-
VII. Profit/(Loss) before tax (V-VI)		1,079.51	1,281.04
VIII. Tax expense:	21		
(i) Current tax		326.43	407.80
(ii) Deferred tax		(0.07)	(21.72)
IX. Profit/(Loss) for the Year Ended from continuing operations (VII-VIII)		753.15	894.96
X. Other Comprehensive Income.			
A. Items that will not be reclassified subsequently to Profit or Loss			
(i) Remeasurement of defined employee benefit plans (net of tax)		15.65	149.17
B. Items that will be reclassified to subsequently to Profit or Loss			
(i) Exchange differences on foreign currency transactions (net of tax)		19.42	296.43
Total Comprehensive Income for the Year Ended		788.21	1,340.56
XI. Earnings per equity share (for continuing operation):			
(1) Basic		2.07	2.46
(2) Diluted		2.07	2.46

Summary of Significant Accounting Policies

The accompanying Notes are an Integral Part of the Financial Statements
AS PER OUR REPORT OF EVEN DATE

For NG Rao & Associates,
Chartered Accountants
Firm Regn. No: 009399S

For and on behalf of Board
CES Limited

Kiran Parsa
Partner
Membership No. 220629

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

Place : Hyderabad
Date : 30th May, 2024

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

CES LIMITED

Standalone Cash Flow Statement for the year ended March 31, 2024

Particulars	Year Ended 31.03.2024 In Lakhs	Year Ended 31.03.2023 In Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation, and extraordinary items	1,079.51	1,281.04
Adjustments for:		
Interest Paid	-	-
Interest Income	(68.89)	(57.00)
Rental Income	(240.94)	(224.00)
Depreciation	230.82	260.41
Other Comprehensive income for the year	35.07	445.60
Operating Profit before working capital changes	1,035.58	1,706.04
Adjustments for:		
Trade and Other Receivables	(944.86)	(608.11)
Short Term Loans and Advances	(47.74)	(128.22)
Other Current Liabilities	(1,156.38)	2,659.15
Short Term Provisions	(68.86)	31.98
Long Term Provisions	254.66	69.99
Trade payables	305.06	(735.10)
Other Current assets	(520.60)	(10.59)
Other Non Current Assets	(3.82)	71.24
Cash generated from operations	(1,146.96)	3,056.38
Direct taxes	(326.40)	(409.67)
Cash flow before extraordinary items	(1,473.37)	2,646.71
Extraordinary items	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	(1,473.37)	2,646.71
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(1,056.97)	(163.57)
Interest Income	68.89	57.00
Rental Income	240.94	224.00
Investments	-	-
Net Cash Used In Investing Activities	(747.14)	117.44
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest paid	-	-
Long Term Liabilities	-	-
Long Term Loans and Other Financial Assets	-	-
Net Cash Flow From Financing Activities	-	-
NET INCREASE \ (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,220.51)	2,764.15
Cash and Cash equivalents (Opening Balance)	6,210.10	3,445.96
Cash and Cash equivalents (Closing Balance)	3,989.60	6,210.10

AS PER OUR REPORT OF EVEN DATE

**For NG Rao & Associates,
Chartered Accountants
Firm Regn. No: 009399S**

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

**Kiran Parsa
Partner
Membership No. 220629**

**Mohana Rao K
Director
DIN: 00004288**

**Rama Krishna S
Director
DIN: 01825682**

**Place : Hyderabad
Date : 30th May, 2024**

**Srinivasa Raju K
C.F.O**

**Suraj Garg
Company Secretary**

CES LIMITED

NOTE NO. 1 : PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS AS AT 31.03.2024

In Lakhs

Sl. No.	Particulars	Gross Block				Depreciation/Amortization				Net Block as on 31.03.2024	Net Block as on 31.03.2023
		As on 01.04.2023	Additions during the Year	Deletions during the Year	As on 31.03.2024	Dep. As on 01.04.2023	Depre. on Deletions	Dep. For the Year	Total Depreciation		
	PROPERTY, PLANT AND EQUIPMENT:										
1	BUILDINGS (HYDERABAD)	2,534.24	-	-	2,534.24	368.75	-	82.37	451.12	2,083.13	2,165.50
2	COMPUTERS & SOFTWARE	1,055.33	7.92	-	1,063.25	1,045.09	-	6.93	1,052.01	11.23	10.24
3	OFFICE EQUIPMENT	685.51	2.83	-	688.34	634.11	-	19.15	653.26	35.08	51.40
4	FURNITURE AND FIXTURES	789.21	-	-	789.21	475.45	-	67.92	543.37	245.84	313.76
5	MOTOR VEHICLES	88.25	-	-	88.25	59.64	-	5.57	65.21	23.03	28.61
6	LEASE HOLD LAND (SIPCOT)	25.04	-	-	25.04	4.39	-	0.26	4.64	20.40	20.65
7	BUILDING (SIPCOT)	313.46	-	-	313.46	59.79	-	4.83	64.62	248.85	253.67
8	BUILDINGS (VIZAG)	929.95	36.25	-	966.20	69.93	-	15.16	85.09	881.12	860.03
9	LAND (VIZAG)	-	72.65	-	72.65	-	-	-	-	72.65	-
		-	-	-	-	-	-	-	-	-	-
	INTANGIBLE ASSETS:										
1	GOODWILL*	286.37	-	-	286.37	257.66	-	28.64	286.29	0.08	28.71
		-	-	-	-	-	-	-	-	-	-
	CAPITAL WORK IN PROGRESS										
1	BUILDING (VIZAG)	42.23	-	36.63	5.60	-	-	-	-	5.60	42.23
2	SIPCOT II	113.28	973.94	-	1,087.22	-	-	-	-	1,087.22	113.28
	TOTAL	6,862.87	1,093.60	-	7,919.84	2,974.79	-	230.82	3,205.61	4,714.22	3,888.08
	PREVIOUS YEAR	6,699.31	163.57	-	6,862.87	2,714.39	-	260.41	2,974.79	3,888.08	3,991.92

*The Company doesnt have any intangible assets under development.

Capital Work in Progress (CWIP) ageing schedule as on 31.03.2024 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	973.94	118.88	-	-	1,092.82
(ii)	Projects temporarily Suspended	-	-	-	-	-

Capital Work in Progress (CWIP) ageing schedule 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	-	-	-	-	-

CES LIMITED

Standalone Notes to Financial Statements as at March 31, 2024

NOTE NO. 2 : INVESTMENTS

S.No.	Particulars	As on 31.03.2024	As on 31.03.2023
		(In Lakhs)	(In Lakhs)
I	Investments in Equity Instruments:		
	1) Investment in Subsidiaries		
	a) Equity Shares		
	1) CES USA Inc. USA (Unquoted) -100% Holding 780,000 (previous year 780,000) equity shares of USD 1 each, fully paid Wholly owned subsidiary of the company.	345.90	345.90
	2) CES Information Technologies Pvt. Ltd. 6,999 (Previous year 7000) equity shares of Rs. 10/- fully paid up.	0.70	0.70
	3) CES Global IT Solutions Private Limited. 9,999 equity shares of Rs. 10/- fully paid up.	351.20	351.20
	4) CES Technology Services Private Limited. 9,999 equity shares of Rs. 10/- fully paid up.	306.59	306.59
	Total Investments	1,004.39	1,004.39

NOTE NO. 3 : OTHER NON CURRENT ASSETS

S. No.	Particulars	As on 31.03.2024	As on 31.03.2023
		(In Lakhs)	(In Lakhs)
	Non Current		
a	Security Deposits	117.41	96.25
b	Statutory dues Receivable	312.28	329.61
c	Capital Advances	-	-
	Total Loans-Non Current	429.68	425.86

NOTE NO. 4 : TRADE RECEIVABLES

S. No.	Particulars	As on 31.03.2024	As on 31.03.2023
		(In Lakhs)	(In Lakhs)
	Unsecured, Considered Good		
a	Accounts Receivable	4,635.42	3,690.56
b	Doubtful Debts	15.45	15.45
	Total Trade Receivables	4,650.88	3,706.02

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

Particulars	As on 31.03.2024	As on 31.03.2023
Undisputed -Considered good		
- Lessthan 06 Months	4,575.15	3,674.53
- 6 Months - 01 Year	22.63	16.04
- 1 -2 Years	37.65	-
- 2-3 Years	-	-
- > 03 Years	-	-
Undisputed -Considered Doubtful		
- Lessthan 06 Months	-	-
- 6 Months - 01 Year	-	-
- 1 -2 Years	-	-
- 2-3 Years	-	-
- > 03 Years	15.45	15.45
Total	4,650.88	3,706.02

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

NOTE NO. 5 : CASH AND CASH EQUIVALENTS

S. No.	Particulars	As on 31.03.2024	As on 31.03.2023
		(In Lakhs)	(In Lakhs)
	Cash and cash equivalents :		
a	Balances with banks :		
	On Current Accounts	2,620.63	5,006.88
	Bank deposits with less than 12 months maturity	1,368.96	1,203.22
b	Cash on hand	0.01	0.01
	Total Cash and Cash Equivalents	3,989.60	6,210.10

NOTE NO. 6 : LOANS -CURRENT

S. No.	Particulars	As on 31.03.2024	As on 31.03.2023
		(In Lakhs)	(In Lakhs)
	Unsecured, Considered Good		
a	Loans and Advances to Employees	67.41	55.09
b	Prepaid Expenses	146.49	145.33
c	GST Input Credit	569.87	271.62
d	Advance Tax, TDS & TCS Receivables	266.46	546.41
e	Other Advances	35.60	19.65
	Total Loans -Current	1,085.83	1,038.09

NOTE NO. 7 : OTHER CURRENT ASSETS

S. No.	Particulars	As on 31.03.2024	As on 31.03.2023
		(In Lakhs)	(In Lakhs)
a	Rent Receivables	0.67	0.16
b	Other Current Assets	616.77	96.69
	Total Other Current Assets	617.45	96.85

CES LIMITED

Standalone Notes to Financial Statements as at March 31, 2024

NOTE NO. 8 : EQUITY SHARE CAPITAL

S.No.	Particulars	As on 31.03.2024	As on 31.03.2023
		(In Lakhs)	(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
	Total Equity Share capital	3,640.00	3,640.00
	II		
	<u>A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting Year Ended:</u>		
	Equity Shares of Rs.10Each, Fully paid up		
	At the Beginning	364.00	364.00
	Issued during the year -Bonus Shares		
	At the end	364.00	364.00
III	<u>Details of Shareholder holding more than 5% shares of the company:</u>	% of Share Holding	
	Equity Shares of Rs. 10 each Held By		
	Ram Kancharla - 10,280,200 Shares (C.Y) 10,280,200 Shares (P.Y)	28.24	28.24
	Venkateswara Rao.D - 8,838,200 Shares (C.Y) 8,838,200 Shares (P.Y)	24.28	24.28
	Pokuri Swarnalatha - 3,165,120 Shares (C.Y) 3,165,120 Shares (P.Y)	8.7	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 31.03.2024	As on 31.03.2023
		(In Lakhs)	(In Lakhs)
I	RESERVES AND SURPLUS		
	a) General Reserves		
	As at the commencement of the year	456.88	456.88
	Less: Transferred towards depreciation under Companies Act 2013		
		456.88	456.88
	b) Capital Reserve (Sharewarrants forefeited)	870.00	870.00
	c) Retained Earnings :		
	i) Opening Balance - Profit and Loss Account	4,569.19	3,228.64
	Add: Transfer from Profit & Loss Account	788.21	1,340.56
	Less: Amount transferred for issue of Bonus Shares		
	5,357.41	4,569.19	
	6,227.41	5,439.19	
	6,684.29	5,896.08	
	Total Other Equity		

NOTE NO. 10 : BORROWINGS -NON CURRENT

S. No.	Particulars	As on 31.03.2024	As on 31.03.2023
		(In Lakhs)	(In Lakhs)
	Term Loans:		
a	Term Loans from Banks :		
b	Other Loans		
	Total Borrowings-Non Current	-	-

NOTE NO. 11 : PROVISIONS-NON CURRENT

S. No.	Particulars	As on 31.03.2024	As on 31.03.2023
		(In Lakhs)	(In Lakhs)
	Provisions for employee benefits		
a	Provision for Gratuity-Non Current	954.28	786.49
b	Provision for Leave Encashment-Non Current	447.60	360.73
	Total Provisions	1,401.88	1,147.22

NOTE NO. 12: DEFERRED TAX LIABILITY (NET)

S. No.	Particulars	As on 31.03.2024	As on 31.03.2023
		(In Lakhs)	(In Lakhs)
I	Opening Deferred tax Liability	387.61	409.33
	Add:	-	-
	Deferred Tax Liability for the year	(0.07)	(21.72)
	Gross Deferred tax Liability	388	388
	Opening Deferred tax Asset	142.95	142.95
	Deferred Tax Asset for the year	3.59	3.62
	Gross Deferred tax Asset	146.54	146.57
	Deferred Tax Liability/ (Asset) - Net	241.01	241.04

NOTE NO. 13 : TRADE PAYABLES

S. No.	Particulars	As on 31.03.2024	As on 31.03.2023
		(In Lakhs)	(In Lakhs)
a	Trade Payable Other than MSME	1,105.54	800.48
	Total Trade Payables	1,105.54	800.48

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

Particulars	As on 31.03.2024	As on 31.03.2023
Dues to MSME*		
- Less than 01 Year	-	-
- 1-2 Years	-	-
- 2-3 Years	-	-
- > 03 Years	-	-
Others		
- Lessthan 01 Year	1,105.54	800.48
- 1-2 Years	-	-
- 2-3 Years	-	-
- > 03 Years	-	-
Total	1,105.54	800.48

* 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 LIABILITES

S.No.	Particulars	As on 31.03.2024	As on 31.03.2023
		(In Lakhs)	(In Lakhs)
a	Statutory dues Payable	193.47	145.38
b	Other Current Liabilities	1,820.31	3,004.12
c	Advance from Customers	91.78	55.77
d	Secuirty Deposits Payable	7.76	24.06
e	Retention Money Payable	-	-
f	Outstanding Expenses Payable	663.43	703.80
	Total Other Current Liabilites	2,776.75	3,933.13

NOTE NO. 15 : PROVISIONS-CURRENT

S.No.	Particulars	As on 31.03.2024	As on 31.03.2023
		(In Lakhs)	(In Lakhs)
a	Employee Benefits Payable	146.26	115.67
b	Provision for Gratuity-Current	66.07	56.51
c	Provision for Leave Encashment-Current	97.51	80.80
d	Audit fee Payable	7.50	4.35
e	Provision for Income Tax	324.48	369.85
f	Other Provisions	0.75	84.24
	Total Provisions	642.57	711.43

CES LIMITED

Standalone Notes to Financial Statements for the year ended March 31, 2024

NOTE NO. 16 : REVENUE FROM OPERATIONS

S.No.	Particulars	Year Ended	Year Ended
		31.03.2024	31.03.2023
		(In Lakhs)	(In Lakhs)
(i)	Revenue from operations		
	Sale of Services		
a	Domestic Sales	24.57	83.44
b	Export Sales	22,705.59	20,287.82
	Total Revenue from Operations	22,730.16	20,371.26

NOTE NO. 17 : OTHER INCOME

S.No.	Particulars	Year Ended	Year Ended
		31.03.2024	31.03.2023
		(In Lakhs)	(In Lakhs)
a	Interest income	68.89	57.00
b	Rental Income	240.94	224.00
c	Other Income	2.90	1.88
d	Exchange Gain/Loss	19.97	247.77
	Total Other Income	332.69	530.65

NOTE NO. 18 : EMPLOYEE BENEFITS EXPENSE

S.No.	Particulars	Year Ended	Year Ended
		31.03.2024	31.03.2023
		(In Lakhs)	(In Lakhs)
a	Salaries & Wages	9,756.69	8,279.86
b	Contribution to Provident & Other Funds	815.68	719.52
c	Staff Welfare Expenses	258.69	139.94
	Total Employee Benefit Expenses	10,831.05	9,139.32

NOTE NO. 19 : FINANCE COSTS

S.No.	Particulars	Year Ended	Year Ended
		31.03.2024	31.03.2023
		(In Lakhs)	(In Lakhs)
a	Interest on Vehicle Loan	-	-
b	Interest on Loan	-	-
	Total Finance Cost	-	-

NOTE NO. 20 : OTHER EXPENSES

S.No.	Particulars	Year Ended	Year Ended
		31.03.2024	31.03.2023
		(In Lakhs)	(In Lakhs)
a	Electricity Charges	141.46	119.28
b	Rent	86.12	85.47
c	Repairs to Buildings and Equipments	36.61	36.01
d	Insurance	199.60	145.37
e	Telephone, Postage and Others	76.35	71.43
f	Advertisement Expenses	13.84	1.13
g	Travelling & Conveyance Expenses	61.27	27.13
h	CSR Expenditure	26.67	25.51
i	Office Maintenance	158.77	110.41
j	Printing & Stationery Expenses	0.07	0.19
k	Security Charges	44.81	35.81
l	Rates & Taxes (Excluding Income Tax)	20.37	95.97
m	Computer Hire Charges	286.60	212.62
n	Professional and Consultancy fee	379.43	415.59
o	Job Portal Expenses	107.67	153.92
p	Outside Consultancy Fees	5,128.42	5,096.98
q	Bank Charges	4.36	5.19
r	Dues and Subscriptions	22.74	32.30
s	Exchange Loss/(Gain)	-	-
	Payment to Auditors:		
t	Audit fee	6.00	3.00
u	Business Promotion Expenses	-	-
v	Software cost	193.20	86.47
w	Sales & Marketing	3,910.78	3,436.58
x	Miscellaneous Expenses	-	-
xi	Immigration Expenses	16.32	24.80
Total Other Expenses		10,921.46	10,221.15

NOTE NO. 21 : TAX EXPENSE

S.No.	Particulars	Year Ended	Year Ended
		31.03.2024	31.03.2023
		(In Lakhs)	(In Lakhs)
a	Income Tax-Current Year	324.48	370.60
b	Income Tax-Previous Years	1.96	37.20
c	Deferred Tax	(0.07)	(21.72)
Total Tax Expense		326.37	386.08

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 2024. 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, 2024.

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, 2024, 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, 2024, 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, 2024) 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 2024:

24. Expenditure in foreign currency:

	Year Ended <u>31.03.2024 (Lakhs)</u>	Year Ended <u>31.03.2023(Lakhs)</u>
Foreign travelling	44.81	Nil

Earning in foreign exchange as reported by the Company to the Government of India and as certified by the management.

	Year Ended <u>31.03.2024(Lakhs)</u>	Year Ended <u>31.03.2023(Lakhs)</u>
Foreign exchange inflow	21,785.30	19,679.72

25. Disclosure by the IND AS 19 on Employee Benefits

a) Defined Contribution Plans

Particulars	Amount (Lakhs.)
Contribution to Recognized Provident Fund	150.12
Contribution to Employee's State Insurance	3.84
TOTAL	153.96

b) Defined Benefit Plan-Gratuity

Particulars	Amount in Lakhs.
Present Value of Obligations at the Beginning	843.00
Current Service Cost	160.06
Interest Cost	64.41
Benefits paid	(47.31)
Actuarial (Gain)/Loss	0.19
Present Value of Obligations at the end of the year	1020.35

c) The components of net gratuity costs are reflected below

Particulars	Amount in Lakhs.
Service Cost	160.06
Interest Cost	64.41
Net Actuarial (Gain)/Loss Recognized in the year	0.19
Net gratuity costs	224.66

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

Particulars	Gratuity
Discount Rate	7.22-7.64%
Compensation Escalation Rate	10.00%

e) Defined Benefit Plan-Leave Encashment

Particulars	Amount in Lakhs.
Present Value of Obligations at the Beginning	441.53
Current Service Cost	375.49
Interest Cost	35.33
Benefits paid	(291.40)
Actuarial (Gain)/Loss	(15.84)
Present Value of Obligations at the end of the year	545.11

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

Particulars	Amount in Lakhs.
Service Cost	375.49
Interest Cost	35.33
Net Actuarial (Gain)/Loss Recognized in the year	(15.84)
Net leave encashment costs	394.98

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

Particulars	Leave Encashment
Discount Rate	7.22-7.64%
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*	2023-24	2022-23
1	Revenue		
	CES Global LLC	267.69	253.33
	CES Enterprise LLC	596.02	438.05
	CES USA Inc	53.65	48.36
	Ample IT Service	-	33.19
	CES IT Private Limited	-	-
	CES Business Technologies LLC	42.49	-

2	Rent Received		
	CES Global IT Solutions Pvt Ltd	112.80	112.80
	CES IT Private Limited	6.00	6.00
3	Cost of Sales		
	CES Global LLC	9.09	57.36
	CES IT Private Limited	1,450.99	1,616.58
	CES USA Inc	-	-
	CES Technology Services Pvt Ltd	-	-
	CES Enterprise LLC	0.86	-
4	Accounts Receivables		
	CES Global IT Solutions Pvt Ltd	-	-
	CES IT Private Limited	180.79	82.59
	Ample IT Services	-	2.47
	CES Global LLC	-	7.74
	CES Enterprise LLC	-	9.81
	CES USA Inc	-	4.44
	CES Technology Services Pvt Ltd	8.08	-
5	Accounts Payable		
	CES IT Private Limited	862.02	508.95
	CES USA Inc	73.34	36.38
	CES Technology Services Pvt Ltd	-	(2.31)
	CES Global IT Solutions Pvt Ltd	1,317.45	1,521.43
	Ample IT Services LLC	20.01	-
6	Unbilled Revenue		
	CES Global LLC	30.28	20.04
	CES Enterprise LLC	34.98	36.25
	CES USA Inc	5.00	-
	Ample IT Services LLC	0.08	-
	CES Business Technologies LLC	42.79	
7	Accrued Outside Services		
	CES IT Private Limited	212.64	203.63
	CES Global LLC	-	3.33
8	Key Managerial personnel		
	Mohana Rao Kancharla	19.30	18.81
	Srinivas Raju Kucherlapati	25.16	21.80
	Suraj Kumar Garg	13.59	9.18

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)

Profit and Loss Statements for the year ended 31st March 2024	IT Services	IT Enabled Services	Total
Revenues	7,823.22	14,906.94	22,730.16
Direct Expenses	3,727.81	7,103.24	10,831.05
Gross Income	4,095.41	7,803.69	11,899.11
Less: Un-allocated Expenses			11,152.28
Add: Interest & Other Income			332.69
Net Profit Before Taxes			1,079.51
Income Taxes			326.37
Net Profit After Taxes			753.15

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

Profit and Loss Statements for the year ended 31st March 2024	USA	DOMESTIC	Total
Revenues	22,705.59	24.57	22,730.16
Direct Expenses	10,819.15	11.91	10,831.05
Gross Income	11,886.44	12.66	11,899.11
Less: Un-allocated Expenses			11,152.28
Add: Interest & Other Income			332.69
Net Profit Before Taxes			1079.51
Income Taxes			326.37
Net Profit After Taxes			753.15

28. Calculation of EPS as per Ind AS -33 for the year ending 31st March 2024

	<u>Amount in Lakhs</u>
Profit available to the equity shareholders (a)	753.15
Weighted average number of shares outstanding (b)	364.00
Basic Earnings per Share (a/b)	2.07
Diluted Earnings per Share (a/b)	2.07

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:

Amount in Lakhs

Particulars	As at	
	March 31, 2024	March 31, 2023
Amount required to be spent by the company during the year	26.67	25.51
Amount of expenditure incurred	26.67	25.51
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*	26.67	25.51
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. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2024 (previous year Nil). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent the status of such parties identified on the basis of information available with the

Company 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.

31. During the financial year 2023-24 there are no transactions with struck-off companies under section 248 or 560 of the Companies Act, 2013.
32. 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.
33. There is no Scheme of Arrangements that has been approved in terms of sections 230 to 237 of the Companies Act, 2013.
34. 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.
35. The Company has not traded or invested in Cryptocurrency or Virtual Currency during the financial year.
36. No charges or satisfaction are yet to be registered with the Registrar of Companies beyond the statutory period.
37. 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.
38. 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.

39. Balances of accounts receivable, payables & loans, and advances are subject to confirmation/reconciliation.

40. Ratios

Ratios	Numerator	Denominator	Current year	Previous year	Variance (in %)
Current ratio (in times)	Total current assets	Total current liabilities	2.29	2.03	12.63
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	7.58%	10.09%	15.40
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	5.44	5.99	(9.16)
Trade payables turnover ratio (in times)	Purchase of Services and other expenses	Average trade payables	12.61	8.89	41.80
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e., Total current assets less Total current liabilities)	3.98	4.22	(5.69)
Net profit ratio (in %)	Profit for the year	Revenue from operations	3.31%	4.39%	-1.08%
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Tangible Net worth + Lease liabilities +	10.22%	13.14%	-2.92%

		Deferred tax liabilities			
Return on investment (in %) -Unquoted	Income generated from invested funds	Average invested funds in treasury investments	165%	95%	69.91%

* The company does not have any borrowings and lease liabilities

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

41. 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 and on behalf of the Board of
Directors of

For NG Rao & Associates,
Chartered Accountants
Firm Registration No. 009399S

CES LIMITED

Kiran Parsa

Mohana Rao Kancharla

Rama Krishna S

Partner

Director

Director

Membership No. 220629

DIN: 00004288

DIN:01825682

Place: Hyderabad

Srinivas Kucherlapati

Suraj Kumar Garg

Date: 30th May 2024

Chief Financial Officer

Company Secretary

INDEPENDENT AUDITOR'S REPORT

To The Members of
M/s. CES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **M/s. CES LIMITED** ("the holding Company"), which comprise the consolidated Balance Sheet as at March 31, 2024, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Cash Flows and the consolidated 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 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 the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity 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. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the 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 ethical 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

The holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including annexures to Board's report, Report on Corporate Governance, but does not include the 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 financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, cash flows and changes in equity 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 control relevant to the audit in order to design audit procedures that are 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 with reference to financial statements 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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 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

(a) We did not audit the financial statements / financial information of M/s CES USA INC subsidiary, whose financial statements / financial information reflect total assets of Rs.137,96,35,898 as at 31st March, 2024 and total revenues of Rs.209,55,62,512 for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of Rs. 3,37,68,017 for the year ended 31st March, 2024, as considered in the consolidated financial statements, These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

(b) We did not audit the financial statements / financial information of M/s CES Technologies Services Pvt Ltd subsidiary whose financial statements/ financial information reflect total assets of Rs.234,56,087 as at 31st March, 2024 and total revenues of Rs.11,65,275 for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of Rs. 7,61,562 for the year ended 31st March, 2024, as considered in the consolidated financial statements, These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. 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 consolidated Balance Sheet, the consolidated Statement of Profit and Loss including Other Comprehensive Income, the consolidated Statement of Cash Flows and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

- e) On the basis of the written representations received from the directors of the "Holding Company" as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, the company being a private limited company, provision of section 197 of the act are not applicable.
- h) 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 group does not have any pending litigations.
 - ii. The group did 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 group.
 - iv.
 - (a)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 person(s) or entity, 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 on behalf of the Ultimate Beneficiaries.
 - (b)The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity, 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 by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c)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), as provided under (a) and (b) above, contain any material misstatement.
 - v. No dividend has been declared / paid during the year. Accordingly, the provisions of section 123 of the Act are not applicable.

- vi. Based on our examination, which included test checks, the group has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

For N G RAO & ASSOCIATES

Chartered Accountants

FRN: 009399S

Place: Hyderabad

Date: May 30th, 2024

Parsa Kiran

Partner

Membership No: 220629

UDIN: 24220629BKEZN08487

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to consolidated financial statements of **M/s. CES LIMITED** ("the Holding Company") as of March 31, 2024 in conjunction with our audit of the consolidated 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 with reference to financial statements 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the holding company, its subsidiaries incorporated in INDIA, internal financial controls with reference to financial statements 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 with reference to financial statements. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 Holding Company and its subsidiaries, which are incorporated in India has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements 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 N G RAO & ASSOCIATES

Chartered Accountants

FRN: 009399S

Place: Hyderabad
Date: May 30th, 2024

Parsa Kiran

Partner

Membership No: 220629

UDIN: 24220629BKEZN08487

CES LIMITED

Consolidated Balance Sheet as at March 31, 2024

Particulars	Note No	Consolidated	Consolidated
		As on 31-03-2024	As on 31-03-2023
		(In Lakhs)	(In Lakhs)
ASSETS:			
1 Non-Current Assets:			
(a) Property, Plant and Equipment	1	3,665.96	3,781.01
(b) Capital Work-in-progress	1	1,092.82	155.51
(c) Intangible Assets	1	688.08	854.24
(d) Goodwill on Consolidation		655.79	655.49
(e) Financial Assets:			
(i) Other Non Current Assets	2	888.22	816.42
(f) Deferred Tax Asset	11	123.82	101.98
2 Current Assets:			
(a) Financial Assets:			
(i) Trade Receivables	3	8,940.76	8,473.58
(ii) Cash and Cash Equivalents	4	15,381.74	14,416.06
(iii) Loans	5	2,324.21	2,206.75
(b) Other Current Assets	6	455.42	50.07
Total		34,216.84	31,511.12
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	7	3,640.00	3,640.00
(b) Other Equity	8	16,464.50	13,997.84
(c) Minority Interest		2,080.56	1,322.95
Liabilities			
2 Non-Current Liabilities			
(a) Financial Liabilities:			
(i) Borrowings	9	567.72	498.67
(b) Provisions	10	2,083.35	1,661.41
(c) Deferred Tax Liabilities (Net)	11	241.10	241.13
3 Current Liabilities			
(a) Financial Liabilities:			
(i) Short Term Borrowings	12	1,031.17	860.29
(ii) Trade Payables	13	1,118.49	1,612.43
(b) Other Current Liabilities	14	1,280.38	4,829.07
(c) Provisions	15	5,709.55	2,847.34
Total		34,216.84	31,511.12

Summary of Significant Accounting Policies

The accompanying Notes are an Integral Part of the Financial Statements
AS PER OUR REPORT OF EVEN DATE

For NG Rao & Associates,
Chartered Accountants
Firm Regn. No: 009399S

For and on behalf of Board
CES Limited

Kiran Parsa
Partner
Membership No. 220629

Mohana Rao K
Director
DIN: 00004288

Rama Krishna S
Director
DIN: 01825682

Place: Hyderabad
Date: 30-05-2024

Srinivasa Raju K
C.F.O

Suraj Garg
Company Secretary

CES LIMITED

Consolidated Statement of Profit and Loss for the Year Ended March 31, 2024

Particulars	Note No	Consolidated Year Ended 31-03-2024	Consolidated Year Ended 31-03-2023
		(In Lakhs)	(In Lakhs)
I. Revenue from Operations	16	46,886.60	42,645.23
II. Other Income	17	328.86	623.02
III. Total Income (I +II)		47,215.46	43,268.26
<u>IV. Expenses:</u>			
Employee Benefits expense	18	23,350.17	21,548.87
Finance costs	19	57.83	45.63
Depreciation and amortization expense	1	412.68	441.56
Other Expenses	20	19,655.83	18,380.18
IV. Total Expenses		43,476.51	40,416.23
V. Profit before exceptional and extraordinary items and tax (III - IV)		3,738.94	2,852.03
VI. Exceptional Items			
VII. Profit before extraordinary items and tax (V - VI)		3,738.94	2,852.03
VIII. Extraordinary Items		-	-
V. Profit/(Loss) before exceptional items and tax (III - IV)		3,738.94	2,852.03
VI. Exceptional Items		-	-
VII. Profit/(Loss) before tax (V-VI)		3,738.94	2,852.03
VIII. Tax expense:			
(i) Current tax	21	1,099.65	941.97
(iv) Deferred tax		(8.82)	(41.37)
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)		2,648.11	1,951.43
X. Other Comprehensive Income.			
A. Items that will not be reclassified subsequently to Profit or Loss			
(i) Remeasurement of defined employee benefit plans (net of tax)		120.82	215.50
B. Items that will be reclassified to subsequently to Profit or Loss			
(i) Exchange differences on foreign currency transactions (net of tax)		24.24	293.95
Total Comprehensive Income for the period		2,793.17	2,460.89
XI. Attributable to			
Shareholders of the Company		2,443.21	2,293.37
Non-Controlling Interests		349.96	167.51
XII. Earnings per equity share (for continuing operation):			
(1) Basic		7.28	5.36
(2) Diluted		7.28	5.36

Summary of Significant Accounting Policies

The accompanying Notes are an Integral Part of the Financial Statements
AS PER OUR REPORT OF EVEN DATE

For NG Rao & Associates,
Chartered Accountants
Firm Regn. No: 009399S

For and on behalf of Board
CES Limited

Kiran Parsa
Partner
Membership No. 220629

Mohana Rao K
Director
DIN: 00004288

Rama Krishna S
Director
DIN: 01825682

Place: Hyderabad
Date: 30-05-2024

Srinivasa Raju K
C.F.O

Suraj Garg
Company Secretary

CES LIMITED

Consolidated Cash Flow Statement for the year ended March 31, 2024

Particulars	Year Ended 31-03-2024 (In Lakhs)	Year Ended 31-03-2023 (In Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit After Tax	2,648.11	1,951.43
Adjustments for:		-
Interest Paid	57.83	45.63
Tax Expense	1,099.65	941.97
Interest Received	(107.76)	(113.05)
Rental Income	(122.14)	(105.20)
Depreciation	412.68	441.56
Operating Profit before working capital changes	3,988.38	3,162.33
Adjustments for:		-
Trade and other receivables	(467.18)	(1,277.49)
Short Term Loans and Advances	(117.46)	(512.91)
Other Current Liabilities	(3,548.69)	1,090.19
Short Term Provisions	2,862.21	1,335.38
Long Term Provisions	421.94	253.75
Trade Payables	(493.94)	(684.64)
Short Term borrowings		860.29
Other Current assets	(405.35)	20.63
Other Non Current Assets	(60.30)	71.51
Cash generated from operations	2,179.61	4,319.04
Direct taxes	(1,099.65)	(941.97)
Cash flow before extraordinary items	1,250.85	3,377.08
Extraordinary items	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	1,250.85	3,377.08
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(1,068.78)	(193.94)
Proceeds from Investments/ Other Non Current Assets	(11.50)	(10.91)
Proceeds/(Repayment) of Loan	69.06	157.53
Interest Received	107.76	113.05
Rental Income	122.14	105.20
Translation Adjustments	146.65	(337.71)
Proceeds in Minority Equity	407.35	74.43
Net Cash Used In Investing Activities	(227.33)	(92.36)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest paid	(57.83)	(45.63)
Long Term Liabilities	-	-
Long Term Loans and Other Financial Assets	-	-
Net Cash Flow From Financing Activities	(57.83)	(45.63)
NET INCREASE \ (DECREASE) IN CASH AND CASH EQUIVALENTS	965.69	3,239.09
Cash and Cash equivalents (Opening Balance)	14,416.06	11,176.96
Cash and Cash equivalents (Closing Balance)	15,381.74	14,416.06

AS PER OUR REPORT OF EVEN DATE

For NG Rao & Associates,
Chartered Accountants
Firm Regn. No: 009399S

For and on behalf of Board
CES Limited

Kiran Parsa
Partner
Membership No. 220629

Mohana Rao K
Director
DIN: 00004288

Rama Krishna S
Director
DIN: 01825682

Place: Hyderabad
Date: 30-05-2024

Srinivasa Raju K
C.F.O

Suraj Garg
Company Secretary

CES LIMITED

Consolidated Statement of Changes in Equity for the year ended 31st March, 2024

(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			
Balance as at 01-04-2022	3,640.00	10,735.99	456.88	870.00	249.09	(885.47)	1,080.71	15,066.50	16,147.20
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	-	-	-	-	-	-	-	-	-
Non Controlling interest Paid for the year	-	-	-	-	-	-	74.43	-	74.43
Balance as at 31-03-2023	3,640.00	12,519.91	456.88	870.00	527.06	(376.01)	1,322.95	17,637.84	18,960.79
Profit for the period	-	2,298.15	-	-	-	-	350.26	2,298.15	2,648.41
Remeasurement of Net defined benefit Liability/ Asset	-	-	-	-	-	120.82	-	120.82	120.82
Exchange gain/(Loss) on foreign currency transactions	-	-	-	-	23.45	24.24	-	47.69	47.69
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-
Non Controlling interest acquired during the year	-	-	-	-	-	-	-	-	-
Net Non Controlling interest Paid during the year	-	-	-	-	-	-	407.35	-	407.35
Balance as at 31-03-2024	3,640.00	14,818.06	456.88	870.00	550.51	(230.95)	2,080.56	20,104.50	22,185.06

CES LIMITED

NOTE NO. 1 : PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS AS AT 31-03-2024

(In Lakhs)

Sl. No.	Particulars	Gross Block				Depreciation/Amortization				Net Block as on 31-03-2024	Net Block as on 31-03-2023
		As on 01.04.2023	Additions during the Year	Adjustment/ Deletions	As on 31-03-2024	Dep. As on 01.04.2023	Adjustment/ Deletions	Depreciation for the Year	Total Depreciation		
	PROPERTY, PLANT AND EQUIPMENT:										
1	BUILDINGS (HYDERABAD)	2,534.24	-	-	2,534.24	368.75	-	82.37	451.12	2,083.13	2,165.50
2	COMPUTERS & SOFTWARE	2,964.14	18.14	-	2,982.28	2,879.40	-	49.84	2,929.23	53.05	84.75
3	OFFICE EQUIPMENT	718.44	4.43	-	722.87	662.90	-	20.76	683.66	39.21	55.55
4	FURNITURE AND FIXTURES	814.42	-	-	814.42	500.66	-	67.92	568.58	245.84	313.76
5	MOTOR VEHICLES	88.25	-	-	88.25	59.64	-	5.57	65.21	23.03	28.61
6	LEASE HOLD LAND (SIPCOT)	25.04	-	-	25.04	4.39	-	0.26	4.64	20.40	20.65
7	BUILDING (SIPCOT)	313.46	-	-	313.46	59.79	-	4.83	64.62	248.85	253.67
8	BUILDINGS (VIZAG) - BLOCK 1	929.95	36.25	-	966.20	69.93	-	15.16	85.09	881.12	860.03
9	LAND VIZAG	-	72.65	-	72.65	-	-	-	-	72.65	-
	INTANGIBLE ASSETS:										
1	GOODWILL	-	-	-	-	-	-	-	-	-	-
		1,585.93	-	-	1,585.93	733.18	-	165.98	899.16	686.77	852.74
		-	-	-	-	-	-	-	-	-	-
	CAPITAL WORK IN PROGRESS										
1	BUILDINGS (VIZAG) - BLOCK 2	42.23	-	36.63	5.60	-	-	-	-	5.60	42.23
2	SIPCOT II	113.28	973.94	-	1,087.22	-	-	-	-	1,087.22	113.28
	TOTAL	10,129.39	1,105.41	36.63	11,198.17	5,338.63	-	412.68	5,751.31	5,446.86	4,790.76
	PREVIOUS YEAR	9,935.45	193.94	-	10,129.39	4,897.07	-	441.56	5,338.63	4,790.76	5,038.38

Capital Work in Progress (CWIP) ageing schedule for the year ended as on 31-03-2024 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	973.94	118.88	-	-	1,092.82
(ii)	Projects temporarily Suspended	-	-	-	-	-

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	-	-	-	-	-

CES LIMITED

Consolidated Notes to Financial Statements as at March 31, 2024

NOTE NO. 2 : OTHER NON CURRENT ASSETS

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2024	As on 31-03-2023
		(In Lakhs.)	(In Lakhs.)
I	Other Financial Assets:		
	a) Security Deposit		
	- Un Secured, Considered Good	158.89	137.88
	b) Statutory dues Receivable	312.28	329.61
	c) Loan to Director	224.54	213.04
	d) Right of use Asset- Operating Lease	192.51	135.89
	Total Financial Assets-Non Current	888.22	816.42

NOTE NO. 3 : TRADE RECEIVABLES

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2024	As on 31-03-2023
		(In Lakhs.)	(In Lakhs.)
I	Unsecured, Considered Good	8,882.12	8,440.33
	Doubt ful Debts	8,882.12	8,440.33
		58.64	33.25
	Total Trade Receivables	8,940.76	8,473.58

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

S. No.	Particulars	As on 31-03-2024	As on 31-03-2023
I	Undisputed -Considered good		
	- Lessthan 06 Months	8,691.82	8,369.72
	- 6 Months - 01 Year	129.01	66.86
	- 1 -2 Years	56.19	-
	- 2-3 Years	-	3.74
	- > 03 Years	5.11	-
II	Undisputed -Considered Doubtful		
	- Lessthan 06 Months	25.39	7.85
	- 6 Months - 01 Year	-	4.63
	- 1 -2 Years	12.39	-
	- 2-3 Years	-	2.12
	- > 03 Years	20.86	18.65
	Total	8,940.76	8,473.58

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

NOTE NO. 4 : CASH AND CASH EQUIVALENTS

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2024	As on 31-03-2023
		(In Lakhs.)	(In Lakhs.)
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	13,638.44	12,839.27
	2) Bank deposits with more than 12 months maturity	-	-
	3) Bank deposits with less than 12 months maturity	1,742.08	1,575.56
	b) Cash on hand	1.23	1.23
	Total Cash and Cash Equivalents	15,381.74	14,416.06

NOTE NO. 5 : LOANS - CURRENT

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2024	As on 31-03-2023
		(In Lakhs.)	(In Lakhs.)
I	Unsecured, Considered Good		
	Loans and Advances to Employees	82.16	58.27
	Prepaid Expenses	433.41	731.96
	Advance for Expenses	-	-
	GST Input Credit	806.37	494.39
	Foreign Tax Credit	-	-
	Advance Tax and TDS Receivable	943.56	856.48
	Other Loans/Advances	58.71	65.65
	Total Loans and Advances	2,324.21	2,206.75

NOTE NO. 6 : OTHER CURRENT ASSETS

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2024	As on 31-03-2023
		(In Lakhs.)	(In Lakhs.)
I	Rent Receivables	0.67	0.16
	Other Current Assets	454.75	49.91
	Total Other Current Assets	455.42	50.07

CES LIMITED

Consolidated Notes to Financial Statements as at March 31, 2024

NOTE NO. 7 : EQUITY SHARE CAPITAL

S.No.	Particulars	Consolidated	Consolidated
		As on 31-03-2024 (In Lakhs.)	As on 31-03-2023 (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 Previous 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 (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
	Total Equity Share capital	3,640.00	3,640.00
II	<u>A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:</u>		
	Equity Shares of Rs.10Each, Fully paid up		
	At the Beginning	364.00	364.00
	Issued during the year	-	-
	At the end	364.00	364.00
III	<u>Details of Shareholder holding more than 5% shares of the company:</u>		
	Equity Shares of Rs. 10 each Held By		
	Ram Kancharla -10,280,200 Shares (C.Y) ... 10,280,200 Shares (P.Y)	28.24	28.24
	Venkateswara Rao.D - 8,838,200 Shares (C.Y) ... 8,838,200 Shares (P.Y)	24.28	24.28
	Pokuri Swarnalatha -3,165,120 Shares (C.Y) ... 3,165,120 Shares (P.Y)	8.70	8.70
	M.Babu Rao - 2,010,400 Shares (C.Y) ... 2,010,400 Shares (P.Y)	5.52	5.52

NOTE NO. 8 : OTHER EQUITY

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2024 (In Lakhs)	As on 31-03-2023 (In Lakhs)
I	RESERVES AND SURPLUS		
	a) General Reserves		
	As at the commencement of the year	456.88	456.88
		456.88	456.88
	b) Capital Reserve (Sharewarrants forfeited)	870.00	870.00
	c) Revaluation Reserve	-	-
	d) Retained Earnings :		
	i) Opening Balance - Profit and Loss Account	12,143.90	9,850.52
	Add: Transfer from Profit & Loss Account	2,793.17	2,460.89
	Less: Transfer To Minority Interest	(349.96)	(167.51)
	Add: Transfer from Minority Interest	-	-
Less: Transfer for Issue of Bonus Shares	-	-	
	14,587.11	12,143.90	
Translation Adjustment	550.51	527.06	
Total Other Equity	16,464.50	13,997.84	
Minority Interest	2,080.26	1,322.95	

NOTE NO. 9 : BORROWINGS - NON CURRENT

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2024 (In Lakhs)	As on 31-03-2023 (In Lakhs)
I	a) Other Loans	375.18	369.98
	b) Lease Liabilities	192.54	128.69
	Total Borrowings	567.72	498.67

NOTE NO. 10 : PROVISIONS-NON CURRENT

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2024 (In Lakhs)	As on 31-03-2023 (In Lakhs)
I	a) Provisions for employee benefits		
	- Provision for Gratuity	1,383.50	1,095.76
	- Provision for Leave Encashment	699.86	565.65
	Total Non Current Provisions	2,083.35	1,661.41

NOTE NO. 11: DEFERRED TAX LIABILITY (NET)

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2024	As on 31-03-2023
		(In Lakhs)	(In Lakhs)
I	Opening Deferred tax Liability	387.69	409.41
	Add:	-	-
	Deferred Tax Liability for the year	(7.00)	(35.32)
	Gross Deferred tax Liability	380.70	374.09
	Opening Deferred tax Asset	208.76	220.95
	Add: Deferred Tax Asset for the year	54.66	14.00
	Gross Deferred tax Asset	263.42	234.95
	Deferred Tax Liability/ (Asset) - Net	117.28	139.14

NOTE NO. 12 : SHORT TERM BORROWINGS

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2024	As on 31-03-2023
		(In Lakhs)	(In Lakhs)
I	a) Loan from Related Parties	-	860.29
	b) Loan from Others	1,031.17	-
	Total Borrowings	1,031.17	860.29

NOTE NO. 13 : TRADE PAYABLES

S. No.	Particulars	Consolidated	Consolidated
		As on 31-03-2024	As on 31-03-2023
		(In Lakhs)	(In Lakhs)
I	a) Trade Payables	1,118.49	1,612.43
	Total Trade Payables	1,118.49	1,612.43

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

S. No.	Particulars	As on 31.03.2024	As on 31.03.2023
I	Dues to MSME*		
	- Less than 01 Year	-	-
	- 1-2 Years	-	-
	- 2-3 Years	-	-
	- > 03 Years	-	-
II	Others		
	- Lessthan 01 Year	1,086.92	1,582.52
	- 1-2 Years	18.74	20.92
	- 2-3 Years	2.32	1.37
	- > 03 Years	10.51	7.62
	Total	1,118.49	1,612.43

* 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 LIABILITES

S.No.	Particulars	Consolidated	Consolidated
		As on 31-03-2024	As on 31-03-2023
		(In Lakhs)	(In Lakhs)
I	Statutory dues Payable	308.45	269.15
II	Other Current Liabilities	76.36	3,701.53
III	Advance from Customers	167.94	114.17
IV	Secuirty Deposits Payable	7.76	24.06
V	Retention Money Payable	-	-
VI	Outstanding Expenses Payable	687.55	706.49
VII	Lease Liabilities -Current Portion	32.32	13.68
	Total Other Current Liabilites	1,280	4,829

NOTE NO. 15 : PROVISIONS-SHORT TERM

S.No.	Particulars	Consolidated	Consolidated
		As on 31-03-2024	As on 31-03-2023
		(In Lakhs)	(In Lakhs)
I	a) Provisions for Employee benefits	1,890.83	1,804.12
	b) Others	-	-
	Provision for Income Tax	961.04	740.23
	Audit Fee Payable	9.59	6.02
	Provision for Gratuity-Short Term	81.95	68.81
	Provision for Leave Encashment- Short Term	147.51	124.20
	Other Provisions	2,618.62	103.96
	Total Provisions	5,709.55	2,847.34

CES LIMITED

Consolidated Notes to Financial Statements for the year ended March 31, 2024

NOTE NO. 16 : REVENUE FROM OPERATIONS

S.No.	Particulars	Consolidated Year Ended 31-03-2024	Consolidated Year Ended 31-03-2023
		(In Lakhs)	(In Lakhs)
(I)	Revenue from operations		
	(a) Sale of Services		
	Domestic Sales	29.50	83.44
	Export Sales	46,857.10	42,561.79
	Total Revenue from Operations	46,886.60	42,645.23

NOTE NO. 17 : OTHER INCOME

S.No.	Particulars	Consolidated Year Ended 31-03-2024	Consolidated Year Ended 31-03-2023
		(In Lakhs)	(In Lakhs)
I	(a) Interest Income	107.76	113.05
	(b) Rental Income	122.14	105.20
	(c) Other Income	44.91	35.99
	(d) Exchange Gain	54.05	368.78
	(e) Income from forgiven PPP Loans	-	-
	Total Other Income	328.86	113.05

NOTE NO. 18 : EMPLOYEE BENEFITS EXPENSE

S.No.	Particulars	Consolidated Year Ended 31-03-2024	Consolidated Year Ended 31-03-2023
		(In Lakhs)	(In Lakhs)
I	(a) Salaries & Wages	21,258.60	19,788.39
	(b) Contribution to Provident & Other Funds	1,746.38	1,548.99
	(c) Staff Welfare Expenses	345.19	211.49
	Total Employee Benefit Expenses	23,350.17	21,548.87

NOTE NO. 19 : FINANCE COST

S.No.	Particulars	Consolidated Year Ended 31-03-2024	Consolidated Year Ended 31-03-2023
		(In Lakhs)	(In Lakhs)
I	(a) Interest Expenses		
	- Interest on Vehicle Loan	-	-
	- Interest on Term Loan	-	-
	- Other Finance Costs	57.83	45.63
	Total Finance Cost	57.83	45.63

NOTE NO. 20 : OTHER EXPENSES

S.No.	Particulars	Consolidated Year Ended 31-03-2024	Consolidated Year Ended 31-03-2023
		(In Lakhs)	(In Lakhs)
I	(a) Electricity Charges	182.35	148.86
	(b) Rent	179.17	156.64
	(c) Repairs to Buildings and Equipments	36.61	36.01
	(d) Insurance	252.20	197.52
	(e) Telephone, Postage and Others	77.02	84.57
	(f) Advertisement Expenses	13.84	1.13
	(g) Conveyance & Travelling Expenses	75.23	34.83
	(h) CSR Expenditure	49.64	39.40
	(i) Office Maintenance	194.41	149.76
	(j) Printing & Stationery Expenses/Subscriptions	11.23	5.47
	(k) Security Charges	44.81	35.81
	(l) Rates & Taxes (excluding Income Tax)	37.98	95.18
	(m) Computer Hire Charges	490.02	430.79
	(n) Professional and Consultancy fee	444.05	421.18
	(o) Job Portal Expenses	127.73	153.92
	(p) Outside Consultancy Fees	8,723.42	8,934.93
	(q) Bank Charges	9.42	17.47
	(r) Dues and Subscriptions	28.39	36.04
	(s) Software Supplies	258.17	125.13
	(t) Other operating expenses	433.60	465.66
	(u) Misc Expenses	0.03	-
	(v) Donation	-	1.00
	(w) Payment to Auditors:		
(i) As Auditor	7.36	4.02	
(x) Immigration Expenses	16.32	24.80	
(y) Sales & Marketing	5,762.96	5,345.21	
(z) Management fee to Owners	2,199.87	1,434.86	
	Total Other Expenses	19,655.83	1,298.11

NOTE NO. 21 : TAX EXPENSE

S.No.	Particulars	Consolidated Year Ended 31-03-2024	Consolidated Year Ended 31-03-2023
		(In Lakhs)	(In Lakhs)
I	(a) Income Tax-Current Year	1,097.49	904.72
	(b) Income Tax-Previous Years	2.16	37.25
	Total Tax Expense	1,099.65	941.97

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 2024. 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, 2024.

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, 2024 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 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 at amortized cost category are 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, 2024 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, 2024) 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 capitalized 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 amortized over the shorter of estimated useful life of the asset or the related lease term. Term licenses are amortized 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 amortization and impairment losses, if any.

The amortization 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 recognizes 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 recognizes 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

recognizes 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 recognizes 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 recognize 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) recognize 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 recognizing 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 unutilized 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 recognizes 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 amortized to revenue and other costs to obtain contract and costs to fulfill contract are amortized 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 utilized.

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 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 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 2024:

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	2023-24 (In Lakhs)	2022-23 (In Lakhs)
1	Mr. Mohana Rao Kancharla	Director	Remuneration	19.30	18.81
2	Mr. Srinivas Kucherlapati	CFO	Remuneration	25.16	21.80
3	Mr. Suraj Kumar Garg	Company Secretary	Remuneration	13.59	9.18

25. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2024 (previous year Nil). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent the status of such parties identified on the basis of information available with the Company.

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)

Profit and Loss Statements for the year ended 31st March 2024.	IT Services	IT Enabled Services	Total
Revenues	19,376.61	27,509.99	46,886.60
Direct Expenses	9,649.82	13,700.35	23,350.17
Gross Income	9,726.79	13,809.64	23,536.43
Less: Un-allocated Expenses			20,126.34
Add: Interest & Other Income			328.86
Net Profit Before Taxes			3,738.94
Income Taxes			1,090.83
Net Profit After Taxes			2,648.11

GEOGRAPHICAL SEGMENTS:

(Amount In Lakhs)

Profit and Loss Statements for the year ended 31st March 2024.	USA	DOMESTIC	Total
Revenues	46,857.10	29.50	46,886.60
Direct Expenses	23,335.87	14.30	23,350.17
Gross Income	23,521.23	15.20	23,536.43
Less: Un-allocated Expenses			20,126.34
Add: Interest & Other Income			328.86
Net Profit Before Taxes			3,738.94
Income Taxes			1090.83
Net Profit After Taxes			2,648.11

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)
CES Limited	45.82%	10,324.29	28.22%	788.21
Indian Subsidiaries:				
CES Information Technologies Pvt Ltd.	18.39%	4,144.57	39.69%	1,108.74
CES Global IT Solutions Pvt Ltd.	9.27%	2,088.39	19.72%	550.93
CES Technology Services Pvt Ltd.	1.00%	225.62	0.27%	7.62
Foreign Subsidiaries:		-		-
CES USA Inc.	25.50%	5,750.79	12.10%	337.68
TOTAL		22,533.66		2,793.17
Adjustments arising out of consolidation		(348.60)		-
Minority Interest				
i) Indian Subsidiaries:				

CES Information Technologies Pvt Ltd.		(1,243.37)		(332.62)
CES Global IT Solutions Pvt Ltd.				
CES Technology Services Pvt Ltd.				
ii) Foreign Subsidiary:				
CES USA Inc.		(837.19)		(17.34)
Consolidated Net Assets/Profit after Tax		20,104.50		2,443.21

28. Disclosure in accordance with the IND AS 19 on Employee Benefits

a) Defined Benefit Plan-Gratuity

Particulars	Amount In Lakhs.
Present Value of Obligations at the Beginning	1,164.57
Current Service Cost	290.61
Interest Cost	92.08
Benefits paid	(53.46)
Actuarial (Gain)/Loss	(28.35)
Present Value of Obligations at the end of the year	1,465.45

b) The components of net gratuity costs are reflected below

Particulars	Amount In Lakhs.
Service Cost	290.61
Interest Cost	92.08
Net Actuarial (Gain)/Loss recognised in the year	(28.35)
Net gratuity costs	354.34

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

Particulars	Gratuity
Discount Rate	7.22-7.64%
Compensation Escalation Rate	10.00%

d) Defined Benefit Plan-Leave Encashment

Particulars	Amount In Lakhs.
Present Value of Obligations at the Beginning	689.84
Current Service Cost	687.15
Interest Cost	57.50
Benefits paid	(494.66)
Actuarial (Gain)/Loss	(92.47)
Present Value of Obligations at the end of the year	847.36

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

Particulars	Amount In Lakhs.
Service Cost	687.15
Interest Cost	57.50
Net Actuarial (Gain)/Loss recognised in the year	(92.47)
Net leave encashment costs	652.18

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

Particulars	Leave Encashment
Discount Rate	7.22-7.64%
Compensation Escalation Rate	10.00%

29. Calculation of EPS as per the Ind AS - 33 for the year ending 31 March 2024.

Particulars	Amount (Rs. In Lakhs)
Profit available to the equity shareholders	2,648.11
Weighted average number of shares outstanding	364.00
Basic Earnings per Share	7.28
Diluted Earnings per Share	7.28

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 NG Rao & Associates,
Chartered Accountants
Firm Registration No. 009399S**

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

**Kiran Parsa
Partner
Membership No. 220629**

**Mohana Rao Kancharla
Director
DIN: 00004288**

**Rama Krishna S
Director
DIN: 01825682**

**Place: Hyderabad
Date: 30th May 2024**

**Srinivas Kucherlapati
Chief Financial Officer**

**Suraj Kumar Garg
Company Secretary**



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