



An ISO 9001: 2015, 17020 Company  
Approved by PNGRB  
CIN : U74899DL1994GOI062371

**CERTIFICATION ENGINEERS INTERNATIONAL LIMITED**

(A Wholly owned subsidiary company of Engineers India Limited, A Govt. of India Undertaking)

**A Third Eye to Ensure Quality**

# 28<sup>th</sup> ANNUAL REPORT 2022-23

## THE VISION

To be a global leader,  
in the business of ensuring  
Quality, Integrity and  
Safety of Customer's Assets

## THE MISSION

To achieve Customer Delight through  
constant value addition and innovation

To strive relentlessly, constantly  
improve ourselves, our team and our  
services to become the best

To attain uncompromised quality  
and integrity

To inspire and facilitate employees  
towards excellence and ethics

## RISK MANAGEMENT POLICY

CEIL is committed to  
effective Management of Risks across the  
Organization by aligning its Risk  
Management Strategy to its business  
objectives through instituting a  
Risk Management Structure for timely  
identification, Assessment, mitigations,  
monitoring and reporting of risks.

Risk Management at CEIL is the  
responsibility of every employee both  
individually as well as collectively

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## Chairman's Statement



*Dear Shareholders,*

I hope you and your family members are in good health. It is my privilege to present CEIL's Annual Report for FY 2022-23. Your company has completed 28 years of its journey and has maintained its niche position as one of the leading domestic entities operating in critical domain of certification and recertification in the country. The organisation's growth strategy has been fully aligned with GOI's initiatives and is continuously exploring the possibility of scaling its domestic business and securing certification and TPI jobs in high growth sectors like Infrastructure projects, Pipelines, Railways, Affordable

Housing, Nuclear, Fertilizers, Power, Ports/Defence/non ferrous and ferrous metallurgy in addition to its strong presence in the oil and gas sector. Your company has also taken initiatives to in sunrise renewable sector such as offshore wind, solar, biofuels, etc. Company has also started to expand operations in new geographical areas such as Bhopal, Bhubaneswar, Raipur in Bharat and in Abu Dhabi.

Your Company is committed to total customer satisfaction by providing cost effective, high quality services confirming to International standards. I am happy to share that your



company's Quality Management Systems are ISO 9001:2015 certified and your company continues to be "Type A" accredited inspection body in India in accordance with ISO17020 for various inspection Services.

Your Company is approved by PNGRB and continues to take up ERDMP/Safety audits of Oil and Gas midstream, downstream installations and Integrity Management System Audits of gas pipelines and is also approved as Inspecting Authority under Indian Boiler Regulations, 1950 (IBR) both in India/overseas and PESO approved competent inspector under SMPV and Petroleum rules.

On the financial front during 2022-23, your Company has registered a turnover of ₹47.85 Crores. In a highly competitive business scenario, profit after tax (PAT) stood at ₹9.82 Crore. During the year, your Company secured business worth ₹54.87 Crore. With this, the total unexecuted order book as on March 31, 2023 stood at around ₹56.62 Crore.

CEIL is now looking towards leveraging corporate assets and expertise in order to increase revenue, growth in terms of business expansion, increasing profitability, development of new business opportunities and making strategic business decisions with a long term horizon to strengthen our business portfolio in high growth industrial sectors. Further, your Company is looking to offer its services in the field of Material Testing & NDT that has already been approved by the Board of Directors wherein setting up of CEIL's laboratory is in advanced stage of completion. My appreciation goes to highly dedicated, motivated and professional manpower for maintaining quality and timely performance of services.

Your Company has been guided by a set of strong beliefs, right from its inception. Belief in our core values, customer first approach, investing in people and empowering them, innovative ideas and models for the greater good of the communities we work with.

CEIL's workforce is its major asset and we are committed to continuously improve the environment and facilities for our employees in order to keep their morale high. This

also fosters a culture of positivity, performance, efficiency and productivity in the Company.

Your Company is focused on undertaking CSR initiatives for the benefit of underprivileged sections of the society. As part of these CSR initiatives, continuous evaluation of proposals and subsequent implementation in focus areas is being undertaken.

I am sure our initiatives in the previous year would pave way for a robust organizational growth in the years to come.

My heartfelt thanks and appreciation goes to all the clients and stake holders of CEIL. I also express my sincere gratitude for the guidance and support provided by the various Ministries of the Government of India in our endeavors.

I am grateful to EIL, the holding Company for their all round support and look forward for their continued support and guidance in future as well.

Finally, I urge each member of CEIL family to move ahead with a renewed focus to take our Company towards a sustainable future.

Once again, wishing you and your families prosperity and good health.

Warm regards,

**Vartika Shukla**  
Chairman

## BOARD OF DIRECTORS



Smt Vartika Shukla  
Part-time Chairman



Smt. Anita Gurjar  
Non-official Independent Director  
(Upto 20.10.2022)



Shri Sanjay Jindal  
Part - time Director  
(Upto 01.08.2023)



Shri V. John Paul  
Part - time Director  
(Upto 31.08.2023)



Smt. Jayati Ghosh  
Part-time Director  
(w.e.f. 05.01.2023)



Shri Ram Parkash Batra  
Part-time Director  
(w.e.f 31.08.2023 )

### Chief Executive Officer

Shri G. Suresh  
(Upto 14.03.2023 )

Shri Rajiv Ranjan  
(w.e.f 15.03.2023 )

## CORPORATE INFORMATION

### COMPANY SECRETARY

Ms. Jaya Totlani

### CHIEF FINANCIAL OFFICER

Smt. P. Nagini

### STATUTORY AUDITORS

M/s. Goyal Parul & Co,  
Chartered Accountants  
78, J Extension, 3rd Floor, Laxmi Nagar,  
Delhi-110092.

### BANKERS

#### Bank of India

CBD Belapur Branch, Sector-11,  
Navi Mumbai-400614.

#### Union Bank of India

Bhikaiji Cama Place Branch,  
R.K.Puram, New Delhi-110066.

#### State Bank of India

Konkan Bhavan Branch,  
CIDCO Bhavan,  
CBD Belapur, Navi Mumbai-400614.

#### Indusind Bank Ltd.

Gr. Floor, Atlanta Building,  
Nariman Point,  
Mumbai-400021

### REGISTERED OFFICE

Engineers India Bhawan, 1,  
Bhikaiji Cama Place,  
New Delhi-110066.  
CIN: U74899DL1994GOI062371  
Tel.: 011-26762121,  
Fax: 011-26164868, 26186245  
Email: ceil.del@eil.co.in  
Website: www.ceil.co.in

### HEAD OFFICE

Engineers India Bhawan,  
First Floor, Plot 85,  
Sector-11, Kharghar,  
Navi Mumbai,  
Dist. Raigad  
Maharashtra-410210.  
Tel.: 022-27528700  
Email: marketing@ceil.co.in  
ceilmby@ceil.co.in



## TEN YEARS' PERFORMANCE AT A GLANCE

(₹ in Lakh)

PARTICULARS / YEARS	2013-14	2014-15	2015-16**	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
<b>A. OPERATING STATISTICS</b>										
Turnover*	2,763.00	3,440.43	3,756.34	3,818.26	5,029.16	5,291.40	4,921.12	4,911.00	4,624.50	4,784.90
Other Income	444.88	399.28	409.95	377.35	409.89	409.92	445.42	397.69	366.14	383.41
Expenditure	2,236.02	2,501.00	2,674.09	2,625.26	3,642.08	4,380.52	3,968.90	3,806.54	3,865.48	5,168.31
Prior Period Adj (Net)	13.81	-	-	-	-	-	-	-	-	-
Profit Before Tax	958.05	1,338.71	1,492.20	1,570.35	1,796.97	1,320.80	1,397.64	1,502.15	1,125.16	1,321.54
Tax	330.60	463.71	527.51	571.81	592.81	407.57	413.76	379.70	322.22	396.18
Earlier Years Tax Adjustments (Net)	-	-	-	-	-	-	(0.06)	-	7.47	-
Deferred Tax (Assets)/ Liability	(8.61)	(0.90)	(14.70)	(22.40)	(40.89)	(22.63)	(24.28)	(0.14)	(15.81)	(56.91)
Profit After Tax	636.06	875.90	979.39	1,020.94	1,245.05	935.86	1,008.22	1,122.59	811.28	982.27
Other Comprehensive Income			(9.65)	15.46	6.52	6.57	(41.70)	11.22	14.61	5.69
Total Comprehensive Income for the year			969.74	1,036.40	1,251.57	942.43	966.52	1,133.81	825.89	987.96
Dividend including Dividend Tax	467.98	540.88	541.61	601.79	842.50	783.61	779.99	927.00	963.00	774.00

### B. FINANCIAL POSITION

CAPITAL EMPLOYED	5,511.98	6,117.01	6,525.12	6,945.65	7,316.51	7,455.41	7,603.63	7,814.08	7,666.07	7,823.13
NON CURRENT ASSETS	859.19	764.58	826.84	756.17	704.51	759.33	867.70	808.86	794.94	690.15
CURRENT ASSETS	5,598.31	6,378.38	7,028.51	7,389.31	8,203.16	8,116.39	8,440.41	9,000.77	8,892.33	9,690.07
<b>EQUITY &amp; LIABILITIES</b>										
i) Share Capital	100.00	100.00	100.00	100.00	100.00	900.00	900.00	900.00	900.00	900.00
ii) Other Equity	5,527.02	6,143.30	6,571.43	7,006.04	7,415.11	6,773.93	6,960.46	7,167.27	7,030.16	7,244.13
NON CURRENT LIABILITIES	245.64	294.19	405.14	421.71	489.02	455.40	624.53	722.27	785.68	815.37
CURRENT LIABILITIES	584.84	605.47	778.78	617.73	903.54	746.39	823.12	1,020.09	971.43	1,420.72

### C. RATIOS

PBT / Turnover(%)	34.67	38.91	39.72	41.13	35.73	24.96	28.40	30.59	24.33	27.62
PBT / Capital Employed(%)	17.38	21.89	22.87	22.61	24.56	17.72	18.38	19.22	14.68	16.89
PAT / Networth(%)	11.30	14.03	14.68	14.37	16.57	12.20	12.83	13.92	10.23	12.06
Turnover/ Net Worth (No. of Times)	0.49	0.55	0.56	0.54	0.67	0.69	0.63	0.61	0.58	0.59
Sundry Debtors/ Turnover (Month's Turnover)	4.74	4.89	4.98	5.42	4.30	3.33	4.72	4.04	3.96	4.17
Turnover / Total Assets (No. of Times)	0.43	0.48	0.48	0.47	0.56	0.60	0.53	0.50	0.48	0.46

Notes :

\* Turnover includes accretion/decretion to Work-in-progress.

\*\*The Company has adopted Indian Accounting Standards ('Ind AS') from April 1, 2016 and accordingly , financials from 2015-16 presented in accordance with Ind AS.



## CERTIFICATION ENGINEERS INTERNATIONAL LIMITED

Regd. Office : Engineers India Bhawan, 1, Bhikaiji Cama Place, New Delhi-110066  
 Tel: 011-26762121, Fax: 011-26164868, 26186245 E-mail: ceil.del@eil.co.in  
 Website: www.ceil.co.in, CIN: U74899DL1994GOI062371

## NOTICE

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the Members of Certification Engineers International Limited will be held on Thursday, the 14<sup>th</sup> day of September, 2023 at 3.00 PM at a shorter notice through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), to transact the following business(s):-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2023, along with the Auditor's Report and Directors' Report thereon.
2. To consider declaration of Final Dividend on Equity Shares of the Company for the Financial Year 2022-23.
3. To appoint a Director in place of Smt. Vartika shukla (DIN: 08777885), who retires by rotation and being eligible, offers himself for re-appointment.
4. To fix remuneration of the Statutory Auditor(s) of the Company for the financial year 2023-24 and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:-

**"RESOLVED THAT** the Board of Directors of the Company be and are hereby authorized to fix the remuneration, out of pocket, statutory taxes and other ancillary expenses of the Statutory Auditor(s) of the Company to be appointed by the Comptroller and Auditor General of India for the Financial Year 2023-24."

### SPECIAL BUSINESS:

5. To appoint Smt. Jayati Gosh (DIN: 09851572) as Part-time Director of the Company and in this regard, to consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** in accordance with the provisions of Section 161(1) of the Companies Act, 2013 and the rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, Smt. Jayati Gosh (DIN: 09851572), who was appointed as an Additional (Part-time) Director by the Board of Directors w.e.f. 05.01.2023 and who hold office upto date of this Annual General Meeting, being eligible, and in respect of whom the Company has, pursuant to section 160 of the Companies Act, 2013, received a notice from Smt. Jayati Gosh (DIN:09851572) herself in writing proposing her candidature for the office of Part-time Director of the Company, be and is hereby appointed as Part-time Director of the Company, liable to retire by rotation."

6. To appoint Shri Ram Parkash Batra (DIN: 10301904) as Part-time Director of the Company and in this regard, to consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** in accordance with the provisions of Section 161(1) of the Companies Act, 2013 and the rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, Shri Ram Parkash Batra (DIN: 10301904), who was appointed as an Additional (Part-time) Director by the Board of Directors w.e.f. 31.08.2023 and who hold office upto the date of this Annual General Meeting, being eligible, and in respect of whom the Company has, pursuant to section 160 of the Companies Act, 2013, received a notice from Shri Ram Parkash Batra (DIN: 10301904) himself in writing proposing his candidature for the office of Part-time Director of the Company, be and is hereby appointed as Part-time Director of the Company, liable to retire by rotation."

**By order of the Board of Directors  
 For Certification Engineers International Limited**

**Date:** 31/08/2023

**Place:** New Delhi

**Jaya Totlani**  
 Company Secretary

## Notes:

1. The Ministry of Corporate Affairs, Government of India ("MCA") vide its General Circular Nos. 20/2020 and 10/2022 dated 5<sup>th</sup> May 2020 and 28<sup>th</sup> December 2022, respectively, and other circulars issued in this respect ("MCA Circulars") allowed, inter-alia, conduct of AGMs through Video Conferencing/Other Audio-Visual Means ("VC/OAVM") facility on or before 30<sup>th</sup> September 2023, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. In compliance with these Circulars and provisions of the Act, the 28<sup>th</sup> AGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 28<sup>th</sup> AGM shall be the Registered Office of the Company.
2. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No. 5 & 6 of the Notice is annexed hereto.
3. The relevant details, pursuant to Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India and DPE Guidelines on Corporate Governance, in respect of Director seeking appointment / re-appointment at this AGM are also annexed to this Notice.
4. Pursuant to the provisions of the Companies Act, 2013 ("Act") a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars 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, Attendance Slip and route map of the AGM are not annexed to this Notice.
5. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
6. Corporate Shareholders are required to send a scanned copy (PDF/JPG Format) of its Board resolution authorizing its representative to attend the AGM through VC/OAVM on its behalf. The said Resolution /Authorization shall be sent to the Company Secretary by email at [jaya.totlani@ceil.co.in](mailto:jaya.totlani@ceil.co.in).
7. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 13, 2023 through email on [jaya.totlani@ceil.co.in](mailto:jaya.totlani@ceil.co.in). The same will be replied by the Company suitably.
8. Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to the Members of the Company. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website i.e. [www.ceil.co.in](http://www.ceil.co.in)
9. The Consent by the members to shorter notice for calling AGM is enclosed with the notice.

**By order of the Board of Directors  
For Certification Engineers International Limited**

**Date:** 31/08/2023  
**Place:** New Delhi

**Jaya Totlani**  
Company Secretary



## Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

### Item No. 5

Smt. Jayati Ghosh was appointed as Additional Director with effect from 05.01.2023 by the Board of Directors of the Company pursuant to the provisions of the Articles of Association of the Company and applicable provisions of Companies Act, 2013. In terms of Section 161 of the Companies Act, 2013 Smt. Jayati Ghosh shall hold office upto the date of this Annual General Meeting. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Smt. Jayati Ghosh, proposing her candidature for the office of Part-time Director. In view of the background and vast experience, it will be in the interest of the Company that she continues as Part-time Director of the Company. Brief resume containing inter-alia the statutory disclosures of Smt. Jayati Ghosh has been given in the Annexure to the notice of 28<sup>th</sup> Annual General Meeting.

Your Directors recommend the resolution for approval of members.

None of the Directors or Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 5 of AGM Notice, except Smt. Jayati Ghosh who is proposed to be appointed.

### Item No. 6

Shri Ram Parkash Batra was appointed as Additional Director with effect from 31.08.2023 by the Board of Directors of the Company pursuant to the provisions of the Articles of Association of the Company and applicable provisions of Companies Act, 2013. In terms of Section 161 of the Companies Act, 2013 Shri Ram Parkash Batra shall hold office upto the date of this Annual General Meeting. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Shri Ram Parkash Batra, proposing his candidature for the office of Part-time Director. In view of the background and vast experience, it will be in the interest of the Company that he continues as Part-time Director of the Company. Brief resume containing inter-alia the statutory disclosures of Shri Ram Parkash Batra has been given in the Annexure to the notice of 28<sup>th</sup> Annual General Meeting.

Your Directors recommend the resolution for approval of members.

None of the Directors or Key Managerial Personnel or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolution set out at Item No. 6 of AGM Notice, except Shri Ram Parkash Batra who is proposed to be appointed.

**By order of the Board of Directors  
For Certification Engineers International Limited**

**Date:** 31/08/2023

**Place:** New Delhi

**Jaya Totlani**  
Company Secretary

## DETAILS OF DIRECTORS RETIRING BY ROTATION/SEEKING APPOINTMENT AT THE 28<sup>TH</sup> ANNUAL GENERAL MEETING

Name of Director	Smt. Vartika Shukla
Husband's Name	Shri Arun Kumar Shukla
Designation	Part-time Chairman
Date of Birth	14 <sup>th</sup> February, 1966
Official Address	Certification Engineers International Limited E.I.Bhawan, 1, Bhikaiji Cama Place, New Delhi-110066
Qualifications	B.Tech
Experience	<p>Ms. Vartika Shukla is an esteemed trailblazer and strategic visionary. Currently, she is holding the position of Chairman &amp; Managing Director of Engineers India Limited (EIL). With a distinguished career spanning over 34 years, she has exemplified exceptional leadership, policy advocacy, environment and sustainability. She is an esteemed member of prominent industry forums like FIPI, CII and FICCI and contributed significantly as member of several committees and task force constituted by the Govt. of India on diverse subject matter pertaining to the industry.</p> <p>Her contributions have been recognized through an array of prestigious awards, including 1<sup>st</sup> recipient of the Outstanding Executive Award for 2006-07 from PetroFed, Recognition for Innovative R&amp;D. She has also conferred with the Distinguished Alumnus Award by IIT-Kanpur in recognition of her stellar contributions in the field of Chemical Engineering and Technology.</p>
Directorships in other companies	Engineers India Limited-C&MD
Chairman/Membership of Committees across all public companies	NIL
Number of Board Meeting(s) attended	9
Relationship with Directors/Key Managerial Personnel inter-se	None
Number of Shares held in the Company	45 equity shares

## DETAILS OF DIRECTORS RETIRING BY ROTATION/SEEKING APPOINTMENT AT THE 28<sup>TH</sup> ANNUAL GENERAL MEETING

Name of Director	Smt. Jayati Ghosh
Husband's Name	Shri Saibal Ghosh
Designation	Part-time Director
Date of Birth	8 <sup>th</sup> August, 1965
Official Address	Certification Engineers International Limited E.I.Bhawan, 1, Bhikaiji Cama Place, New Delhi-110066
Qualifications	B.Tech
Experience	<p>Smt. Jayati Ghosh, has graduated in Chemical Engineering from University Institute of science and technology, Calcutta University in the year 1989. She is also certified with a Postgraduate Certificate in Senior Leadership from XLRI (Jamshedpur). She started her career as a Management Trainee in EIL in year 1989 and continued there at various capacities.</p> <p>During a tenure of over 34 years, she has worked extensively in technical and consulting space across the complete hydrocarbon value chain of upstream, midstream and downstream areas, conceptualized &amp; successfully implemented large no. of On-shore facilities, LNG facilities, Pipeline transportation, Refinery, Petrochemical, Fertilizer in India. She provided leadership in the overseas journey of the Organization and implemented projects in GCC countries, all over Africa, South East Asia in the complete Hydrocarbon Value chain.</p> <p>She has led technology development initiatives to enhance capability of Licensing. She is also leading the digitalization initiatives which has ensured operational excellence in the Organization. She has been associated with in-house competency building and Business development activities.</p>
Directorships in other companies	Nil
Chairman/Membership of Committees across all public companies	Nil
Number of Board Meeting(s) attended	3
Relationship with Directors/Key Managerial Personnel inter-se	None
Number of Shares held in the Company	None



## DETAILS OF DIRECTORS RETIRING BY ROTATION/SEEKING APPOINTMENT AT THE 28<sup>TH</sup> ANNUAL GENERAL MEETING

Name of Director	Shri Ram Parkash Batra
Father's Name	Shri Rajoo Ram Batra
Designation	Part-time Director
Date of Birth	24 <sup>th</sup> November, 1967
Official Address	Certification Engineers International Limited E.I.Bhawan, 1, Bhikaiji Cama Place, New Delhi-110066
Qualifications	Chartered Accountant
Experience	Shri R.P.Batra joined Engineers India Limited (EIL) in the year 1993. He is science graduate and a member of the Institute of Chartered Accountants of India (ICAI) and has an experience of more than 30 years in EIL and has handled the wide array of Finance and Accounts Functions including the implementation of Indian Accounting Standards (INDAS) & the Internal control over financial reporting, Financial Management, Receivable & Payable Management, various aspect of Project execution from bidding to completion of contract, Taxation, Financial Reporting etc. He is presently holding the position of Executive Director (Finance & Accounts) in EIL.
Directorships in other companies	Nil
Chairman/Membership of Committees across all public companies	Nil
Number of Board Meeting(s) attended	0
Relationship with Directors/Key Managerial Personnel inter-se	None
Number of Shares held in the Company	None

## DIRECTORS' REPORT

To  
The Shareholders,  
Certification Engineers International Limited

**Ladies & Gentlemen,**

Your Directors have pleasure in presenting the 28<sup>th</sup> Annual Report on the performance of your Company for the Financial Year ended 31<sup>st</sup> March, 2023 together with Audited Financial Statements, Auditors' Report and Comments of the Comptroller and Auditor General of India.

### PERFORMANCE DURING THE FINANCIAL YEAR 2022-23

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015.

The overall financial performance for the financial year 2022-23 is highlighted below:

(₹ in Lakh)

RESULTS OF OPERATIONS	For the year ended 31.03.2023	For the year ended 31.03.2022
<b>Income from services rendered</b> (Including adjustment of work-in-progress)	<b>4784.90</b>	<b>4624.50</b>
<b>Expenditure</b>	<b>3846.77</b>	<b>3865.48</b>
Operating profit	938.13	759.02
Other Income	383.41	366.14
<b>Profit before Tax</b>	<b>1321.54</b>	<b>1125.16</b>
Provision for Taxation (incl. earlier years)		
Current Tax	396.18	329.69
Deferred Tax	(-)56.91	(-) 15.81
<b>Profit after Tax</b>	<b>982.27</b>	<b>811.28</b>
Other Comprehensive Income (Net of Taxes)	5.7	14.61
<b>Total Comprehensive Income</b>	<b>987.96</b>	<b>825.89</b>

### FINANCIAL PERFORMANCE

During the financial year, the income from services rendered by the Company has increased to ₹4784.90 Lakh from ₹4624.50 Lakh in the previous year.

Profit before tax (PBT) has increased from ₹1125.16 Lakh to ₹1321.54 Lakh in the current financial year. Similarly, Profit after tax (PAT) has increased from ₹811.28 Lakh to ₹982.27 Lakh in the current financial year.

### DIVIDEND

The Board of Directors of the Company have recommended for the financial year 2022-23, a final dividend of ₹43/- per share in addition to ₹60/- per share (on 9,00,000 equity shares of ₹100/-per share) interim dividend already paid during the year. Payment of final dividend is, however, subject to approval of shareholders in the ensuing Annual General Meeting of the Company. The dividend, if approved and declared in the forthcoming Annual General Meeting, would result into total dividend outflow of ₹9.27 Crore.

### TRANSFER TO RESERVES

The amount of ₹42.78 Lakh would be transferred in reserves after the payment of ₹387 Lakh of Final dividend to the shareholders, if approved by the shareholders in AGM.

## SHARE CAPITAL

The paid-up Equity Share Capital as on March 31, 2023 was ₹9.00 Crore. During the year under review, the Company has not issued any shares.

## OPERATIONAL HIGHLIGHTS

During the year under review, your Company has provided its services on the following major assignments and achieved considerable progress.

## OFFSHORE CERTIFICATION

Your Company, since its inception is providing range of services to clients in Offshore segment. During the year, CEIL have provided its Certification & TPI services for ONGC for following projects:

- Sagar Samrat Conversion Project (SSCP)
- Kakinada Onshore Gas Terminal (OGT 98/2)
- Life Extension of Well Platform Project (LEWPP)
- Heera Redevelopment Project III (HRP III)
- Living Quarter (LQ) Revamp at 'NQ Complex' (NLRNC-RT2) Project
- Pipeline Replacement Project (PRP-VII) - RTR Project

## INFRASTRUCTURE

In the Infrastructure segment, your Company provided its range of services for:

- TPI services for Infrastructure work of Vadodara Municipal Corporation (VMC), Surat Municipal Corporation (SMC), Rajkot Municipal Corporation.
- Third Party Quality Audits for Cantonment Boards at Pune, Delhi, Morar, Khadki and Dehu.
- Road, Saint Thomas Mount Wellington, Saugor, Babina, Firozpur
- Quality Control Services for various infrastructure works of Delhi Municipal Corporation, Irrigation & Flood Control Dept.
- Structural Audit of Delhi Housing Project.

- Third Party Quality Assurance audit for the construction of Super Specialty Hospitals.
- Buildings of Government Medical college under the Ministry of Health and Family welfare, Gol.
- TPI services for Jal Jeevan Mission projects in Kerala and Tamil Nadu
- TPI services for Quality Surveillance of construction of Retail outlets of IOCL at Karnataka and Kerala

## PIPELINES

Your Company also provided its TPI services for various Pipeline Project of Gujarat State Petronet Limited (GSPL) and its JVs viz:

- GSPL India Gasnet Limited (GIGL): Mundra Bhatinda Phase II
- GSPL: Small Connectivity projects
- GSPL: TPI for O&M Services
- GSPL: Chhara Connectivity Project
- GSPC LNG Limited Mundra: MSO Compressor Package
- Gujarat Gas: Steel Pipeline and Material Inspection
- Gujarat Gas: Technical Bid Evaluation
- Gujarat Gas: Makdwan-Nagda-Ratlam Project
- GSPL India Transco Limited (GITL): TPI for O&M Services and connectivities
- GSPL: R-LNG Tank Storage and Regasification at Kandla SEZ
- Gujarat Gas limited (GGL): LNG/LCNG Steel Laying and Cathodic Protection
- GSPL: TPI and Construction supervision for Centre of Excellence

Your Company also undertook vendor assessment services for Gujarat State Petronet Limited/Gujarat Gas Limited/GSPL India Gas Net Limited.



**Refineries & Petrochemicals:** During the year, your Company also provided its TPI services for following projects:

- RUF project of HPCL Vizag through L&T
- CDU/VDU, DCU, VGO units of HRRL through Tata Projects
- PFCCU & DFCU units of HRRL through L&T
- ETP of HRRL through Paramount
- Product Warehouse & Workshop and Maintenance Building of HRRL through Monte Carlo Limited
- Ammonia Projects of Performance Chemiserve Limited (Deepak Fertilizers Limited)

## HSE AUDITS

During the year, following work was done in HSE and statutory certification area:

- T4S & IMS audits: Natural Gas Pipeline Network of GAIL (India) Limited including HVJ Pipeline network and Compressor Station (Hazira, Vaghodia, Vijaipur, Kailras), NCR Region gas pipeline network, Dabhol-Bangalore pipeline, Agartala region natural gas pipeline network & Lakwa GDT, Cauvery basin pipeline network, Maharashtra region pipeline network, Gujarat Regional pipeline network and Ramgarh region pipeline network.
- ERDMP, T4S & IMS Audits : CGD network of Atlantic, Gulf & Pacific Company in 8 Geographical Areas (GA) comprising of Kancheepuram, Nellore, KV (Kalaburgi & Vijayapura), BKR (Bagalkot, Koppal, Raichur), CVK (Chittoor, Vellore, Kollar), CHK (Chikmagluru, Hassan, Kodugu), Anantpur & Cuddpah and UHS (Uttara Kannada, Haveri, Shivmoga).
- T4S & IMS audit: CGD Network of Indraprastha Gas Limited Kaithal GA and Gurugram GA and Torrent Power Limited Dedicate natural gas pipeline from Petronet Dahej to Torrent Power Limited Dahej SEZ area
- T4S Audit: CGD Network of Indraprastha Gas Limited Delhi NCT GA, Ghaziabad GA, Gutam Budhnagar GA and Rewari GA.
- IMS Audit: IOCL Ennore - Manali natural gas pipeline.
- ERDMP, T4S & IMS Audits: CGD network of Indian Oil Adani Gas Pvt. Limited in Kozikode GA
- External Safety Audit of GAIL (India) Limited Jamnagar – Loni LPG Pipeline, CGD network Bhubneswar & Cuttack GA HVJ Pipeline network

and Compressor Station (Hazira, Vaghodia, Kailras only), Gandhar Gas Processing Unit, KG Basin Pipeline network Agartala region natural gas pipeline network & Lakwa GDT, Cauvery basin pipeline network, Gujarat Regional pipeline network.

- Fit for Purpose certification of 13 no. of natural gas pipeline of GSPL Gas Grid Network.

## RAILWAYS

Railways is one of the diversified area of business of your Company and following major assignments were undertaken during the year in this segment:

- Quality Assurance Services for Udhamapura-Shrinagar-Baramulla Rail Link (USBRL) Project for Konkan Railway Corporation Limited (KRCL)
- Quality Assurance Inspection Services for 16 Bridges on Katra- Dharam sector (KRCL)
- Quality Assurance Inspection Services for Anji Khad Bridge (KRCL)
- Dedicated Freight Corridor Corporation (DFCC) – Inspection of steel web girder bridges for various packages and divisions of Western and Eastern Corridors
- Third Party Inspection services for Katni Grade Separator Bridge Project Packages 1 & 2 for IRCON
- Third Party Inspection services for Steel Girder Bridges for Package 13 from DFCCL, Vadodara
- Owners Inspection services on behalf of National High Speed Railway corporation for steel web girder bridges in Hi Speed Rail project from L&T
- Inspection of steel web girder bridges for various projects of RVNL, NHA and Northern Railway
- Inspection Agency for Girder Fabrication and launching for MRIDC
- Inspection and Quality Surveillance for Mumbai Trans Harbour Sea Link Project for MMRDA
- Inspection and Quality Surveillance for Airoli ROB Project for MMRDA
- Speed Railway Project Mumbai Ahmedabad Speed Railway Package 4

## STEEL

In the steel sector, your Company have made entry and services were provided for various clients such as:

- TPI and Capacity assessment works for Rashtriya Ispat Nigam Limited (RINL).
- TPI Services for steel plates for Steel Authority of India Limited (SAIL).

**Smart Cities:** Your Company entered into smart city domain and services were provided for

- Pune Smart City Development Corporation Limited (PSCDCL) – Third Party Quality Audits and Site Quality Control Inspection
- Nashik Municipal Smart City Development Corporation Limited (NMSCDCL) – Third Party Quality Inspection Audits

### Technical Services

- Technical Services were also provided to EIL for its various ongoing projects in Pipemill Inspection.

### Miscellaneous TPI services were provided for:

- UP Irrigation, Jammu & Kashmir (PHED, MED, Irrigation and Flood Control Dept., PWD) Various suppliers & contractors all over India
- Jindal Saw: Third Party Inspection of Pipes
- NLC – Third Party Inspection of Conveyor Belts
- TPI at various manufacturer's place for MP Jal Nigam Maryadit.
- TPI at various manufacturer's place for Southern Region

### The following major TPI/ Certification/ Quality Assurance/ ERDMP/ Safety Audit etc. assignments were secured during the year:

- Third Party Certification Agency for Pipeline Replacement Project (PRP-VII) - RTR Project
- PCPRT-1 Painting inspection works
- Third Party Inspection Services for Insulation Replacement Works at PLQP and Inspection of CP Survey of 20" and 10" Offshore Pipeline of ONGC's HPHT Asset - Kakinada
- Third Party Certification Agency for Recertification of Life Boats, Davits and associated works for Western Offshore for HSE Section – MH Asset.
- Third Party Inspection of Rail Over Bridges for Gawar Construction Co. Limited, HG Infra Limited, Tata Projects Limited (WDFCC), GR Infra, JSP Projects, Ashoka Buildcon, PNC, DRAIPL, THDC India Limited.
- Inspection of Rail Over Bridges in Maharashtra for Maharashtra Rail Infrastructure Development

### Corporation

- Inspection of Steel Web Girder bridges for Rishikesh Project for Rail Vikas Nigam Limited
- Third Party Inspection Services for Steel Reinforced Conveyor belts (change order) for Neyveli Lignite Corporation
- Construction supervision & Inspection for MSO Compressor package at GSPC LNG Terminal Mundra
- TPI Services for Chhara LNG Connectivity for GSPL Project
- Owner's engineering and vendor inspection services for R-LNG Tank storage and re-gasification for Kandla SEZ for GSPL
- TPI services for quality assurance of materials and services required for LNG/LCNG, Steel laying & cathodic protection projects across GGL
- Contract for project management consultancy services for Makdawn-Nagda-Ratlam Project for GGL
- TPI Services for IOCL CGD Connectivity for GITL and Civil Works for ROBs for MMRDA
- Inspection agency for fabrication of ROBs for MRIDC and Launching ROBs for MRIDC
- Inspection of Girders of Track Bridges at Yamatmal for Central Railways Wardha
- T4S & IMS Audit GAIL NGPL Pipeline for GAIL (INDIA) Limited
- External Safety Audit GAIL Pipeline & Process plant for GAIL (INDIA) Limited
- T4S, ERDMP & IMS Audit AGP CGD Networks for AG&P, T4S & IMS Audit IGL CGD Networks for IGL, T4S, ERDMP & IMS Audit IOAPL CGD Networks for IOAPL and ERDMP/IMS/T4S audits, External Safety Audit for Process plant, Pipelines, CGD networks from various clients like GAIL (India) Limited, AG&P, Indraprastha Gas Limited, IOCL, Indian Oil Adani Gas Pvt. Limited etc.
- T4S, ERDMP & IMS Audit AGP CGD Networks for AG&P, T4S & IMS Audit IGL CGD Networks for IGL, T4S, ERDMP & IMS Audit IOAPL CGD Networks for IOAPL and ERDMP/IMS/T4S audits, External Safety Audit for Process plant, Pipelines, CGD networks from various clients like GAIL (India) Limited, AG&P, Indraprastha Gas Limited, IOCL, Indian Oil Adani Gas Pvt. Limited etc.
- Technical Due Diligence for Petrochemical Project at Mangalore for HMEL



- Fit for Purpose, HSE & PNGRB Audit, Design review (Misc. Job) for GSPL, IOCL, Torrent Power, PCL, Wadhwa Construction, Sonal Engineering.
- Infrastructure works for Vadodara Municipal Corporation, Surat Municipal Corporation & Rajkot Municipal Corporation.
- Quality Control Services for various infrastructure works of Municipal Corporation of Delhi, Irrigation & Flood Control Dept.
- Third Party Quality Surveillance for infrastructure projects from Delhi State Industrial and Infrastructure Development Corporation Limited.
- Structural Audit of Delhi Housing Project
- Third Party Quality Audit of Bharat Vandana Park, Delhi
- Jal Jeevan Mission projects in Kerala and Tamil Nadu
- TPI services for Quality Surveillance of construction of Retail outlets of IOCL at Karnataka

#### **SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any subsidiary, joint ventures or associate company. Further the names of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year are NIL.

#### **DIRECTORS**

Since the date of last Directors' Report, following changes were made in the constitution of the Board of the Company

- Smt. Anita Gurjar ceased to be Non-official Independent Director of the Company w.e.f. 21.10.2022 due to completion of tenure of her appointment and in absence of any further order of the Government.
- Smt. Jayati Ghosh, ED (Technical), EIL was inducted as Part-time Director of the Company w.e.f. 05.01.2023.
- Shri Sanjay Jindal ceased to be Part-time Director of the Company w.e.f. 02.08.2023.
- Shri Ram Parkash Batra ED(F&A), EIL was inducted as Part-time Director of the Company w.e.f. 31.08.2023.
- Due to superannuation from the services of EIL on 31.08.2023 Shri V. John Paul ceased to be Part-time Director of the Company w.e.f. 01.09.2023.

Pursuant to the provisions of Companies Act, 2013, Smt. Jayati Ghosh and Shri Ram Parkash Batra Part-time Director(s) who was appointed as Additional Director(s) shall



vacate their office at the ensuing Annual General Meeting. Further, the Board of Directors have recommended their appointment.

In accordance with the provisions of the Companies Act, 2013, Smt. Vartika shukhla, Part-time Director & Chairman shall retire by rotation, at the ensuing Annual General Meeting of the Company, and has offered herself for reappointment. Brief resume of Smt. Vartika shukhla, Smt. Jaynti Ghosh & Shri R. P. Batra seeking appointment together with the nature of their expertise in specific functional areas, disclosures of relationships between Directors inter-se, names of companies in which they hold directorships and the memberships/chair manships of Committees of the Board along with her shareholding in the Company etc. pursuant to the statutory requirements are given in the Annexure to Notice of 28<sup>th</sup> Annual General Meeting.

Your Board places on record its sincere appreciation for the valuable services rendered and contributions made by Smt. Anita Gurjar, Shri Sanjay Jindal and Shri V. John Paul during their tenure as Non-Official Independent Director and Part-time Director(s) of the Company.

#### **KEY MANAGERIAL PERSONNEL (KMP)**

Pursuant to the provisions of Companies Act, 2013, the Key Managerial Personnel of the Company as on March 31, 2023 are: Shri Rajiv Ranjan, Chief Executive Officer, Smt. P.Nagini, Chief Financial Officer and Ms. Jaya Totlani, Company Secretary.

#### **NUMBER OF MEETINGS OF THE BOARD**

The Board met 9 times during the financial year 2022-23, the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between any two meetings was within the period prescribed under Companies Act, 2013 and DPE Guidelines on Corporate Governance. For further details regarding number of meetings of the Board and its committees, please refer Corporate Governance Report, annexed to this Report.

#### **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review, as stipulated under DPE Guidelines, is annexed to this Report.

#### **RISK MANAGEMENT**

CEIL's Risk management policy has a robust risk management structure and framework which facilitates identification and assessment of new risks and review of already identified risks. The process is based on identified risks and risk events or factors which require regular assessment and quick response. Based on the probability

and impact of risk, the requisite controls and mitigation action plans have been designed and implemented for risk treatment.

The objective of risk management in the Company is to act as an enabler in maintaining its knowledge edge, sustaining and expanding the business, being competitive and ensuring execution within budgeted cost, time and quality, resulting in improved turnover and profitability.

Risk compliance verifications are conducted regularly to test the compliance of controls & mitigation action plans and the summary is reported to the Board.

#### **INTERNAL AUDIT**

Internal audit of the Company is done by Internal Audit Department of Engineers India Ltd., the holding Company.

#### **VIGILANCE**

Vigilance activities of the company are carried out by the Vigilance Department of Engineers India Ltd, the holding Company, with focused objective of ensuring conformity to the company procedures and Govt. guidelines. System improvements are suggested to management and actions are undertaken for improvement. Vigilance reports are sent to Vigilance Department of EIL.

Your Company observed the Vigilance Awareness Week from 31<sup>st</sup> October, 2022 to 6<sup>th</sup> November 2022 as per the directives for spreading vigilance awareness and encouraging "Participative Vigilance" amongst the employees of the Company.

Various competitions were organized during the vigilance week for the employees.

#### **HUMAN RESOURCE**

As on 31<sup>st</sup> March 2023, your Company had total manpower of 66. Regular employees were 65 and 1 employee was on deputation from EIL.

#### **TRAINING AND DEVELOPMENT**

Employees were nominated for various training programs in the field like NDT, Offshore, Risk Management, functional & behavioral trainings from time to time. Training program of BOSIET for offshore works was organized for CEIL Employees.

#### **OFFICIAL LANGUAGE**

Like previous years, awareness and increased usage of official language was enthusiastically carried out during the year. Provisions of Section 3(3) of Official Languages Act and Official Language Rules have been complied with. 'Hindi Diwas' was observed on 14.09.2022 and 'Hindi Fortnight' was organized from 14.09.2022 to 29.09.2022 in consultation with holding Company EIL. With a view to create greater awareness, consciousness and to encourage employees to enhance use of Hindi in official

work, several workshops, inspection and seminars were also organized.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN-EXCHANGE EARNINGS AND OUTGO**

As the Company's operations do not involve any manufacturing or processing activities, the particulars required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 regarding conservation of energy and technology absorption are not applicable.

The particulars regarding foreign exchange earnings and outgo are as under:

Total foreign exchange used and earned for the year:

- (a) Total Foreign Exchange Earnings: ₹4.04 Lakh
- (b) Total Foreign Exchange Outgo: ₹12.95 Lakh

The Company does not own any manufacturing facilities, hence the other particulars required under Section 134(3)(m) of the Companies Act, 2013 relating to Foreign Exchange Earnings & Outgo are not applicable.

#### **CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY**

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are annexed to this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. The CSR Policy is also available on the website of the Company i.e. <http://www.ceil.co.in>.

The Board of Directors of CEIL vide their circular resolution dated 26.09.2022 have approved the constitution of CSR Committee of the Board.

#### **PARTICULARS OF LOANS/GUARANTEES/INVESTMENTS**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the financial year 2022-23.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES (RPTs)**

In line with the provisions of the Companies Act, 2013 and the Listing Regulations, the parent Company i.e. Engineers India Limited has formulated a Policy on Materiality of Related Party Transactions and also on dealing with Related Party Transactions as per which the necessary compliances have been done in this regard.

As per requirements of Section 134 (3) of Companies Act, 2013 read with rule 8 of Companies (Accounts) Rule, 2014, particulars of contracts or arrangements with related parties as referred in section 188 (1) of the Companies Act, 2013 is annexed to this report. Further, suitable disclosure as per statutory requirements has been given in the Notes

to Financial Statements.

#### **ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2023 is available on the Company's website on [www.ceil.co.in](http://www.ceil.co.in).

#### **COST AUDITORS**

The Company does not fall under the Cost Audit Rules and therefore, there is no requirement of Cost Audit for the Company as per the statutory requirements.

#### **CODE OF BUSINESS CONDUCT AND ETHICS**

The Company has formulated a Code of Business Conduct and Ethics for its Board Members and Senior Management Personnel in terms of DPE Guidelines on Corporate Governance. The confirmation of compliance of the same is obtained from all concerned on annual basis. All Directors and Senior Management Personnel have given their confirmation of compliance for the year under review. A declaration duly signed by CEO is given in the Report on Corporate Governance. The Code of Business Conduct and Ethics for its Board Members and Senior Management Personnel is given on the website of the Company at [www.ceil.co.in](http://www.ceil.co.in).

#### **CORPORATE GOVERNANCE**

The Company is committed to good Corporate Governance as per the requirements/Guidelines on Corporate Governance for CPSEs issued by Department of Public Enterprises, Government of India. The Board of Directors supports the broad principles of Corporate Governance. In addition to the basic issues, CEIL lays strong emphasis on transparency, accountability and integrity.

Further, Quarterly Compliance Report on Corporate Governance is also submitted to the Ministry of Petroleum and Natural Gas as per the requirements of Guidelines on Corporate Governance issued by DPE. Certificate of the Statutory Auditors regarding compliance of the conditions of the Corporate Governance as stipulated in DPE Guidelines on Corporate Governance along with the Management's Reply on the comments of the Auditors is enclosed.

The Report on Corporate Governance as stipulated under the DPE Guidelines is also annexed.

#### **TRAINING OF BOARD MEMBERS**

The company has a well defined Training Policy for Board Members. Detailed presentations are made by senior executives/professionals/consultants on business related issues and the Directors have attended seminars/conferences/programs from time to time.



## **Memorandum of Understanding (MoU) with Engineers India Limited**

Your Company have signed MoU with EIL for the financial year 2022-23 on 16.03.2023.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors to the best of its knowledge and ability, confirm that:

- a) In the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (b) 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;
- (c) 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;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- (f) they have devised proper systems to ensure compliance with the provisions of the applicable laws and that such systems are adequate and operating effectively.

### **RIGHT TO INFORMATION ACT, 2005**

In order to promote transparency and accountability, appropriate action is taken to reply to queries from any source whenever received, on time. In compliance to the provisions of the Right to Information Act, 2005, Central Public Information Officer (CPIO) and ACPIOs have been appointed and utmost care is being taken for timely compliance and dissemination of information. As on 31.3.2023, no application is pending under RTI Act, 2005.

### **BANKERS**

The Bankers of the Company are Bank of India, Union Bank of India, State Bank of India and Indusind Bank Ltd., Canara Bank.

### **PARTICULARS OF EMPLOYEES**

As per the provisions of Section 197 of the Companies Act, 2013 and rules made thereunder, Government Companies are exempted from inclusion of the statement of particulars of employees. The information has, therefore, not been included as part of the Directors' Report. However, the same is open for inspection at the registered office of the Company on all working days between 10.30 a.m. to 12.30 p.m. prior to the Annual General Meeting.

### **MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT**

There are no material changes and commitments affecting financial position of the Company between the end of the financial year and date of Report.

### **Quality Management System**

Quality is inbuilt into the processes, deliverables and services of CEIL. The Quality Management System of the Company conforms to the requirements of ISO 9001:2015 standard. Periodic external audit is conducted by Certifying Body and present certificate of approval is valid up to 01.09.2025. Important ingredients of your Company's quality initiatives are effective & Internal Quality Audit process, planned customer perception surveys, analysis of feedbacks/Suggestion from stakeholders and its reviews & directions from the Management Review Meeting (MRM) and System Committee Meeting (SCM). Regular monitoring is done to analyze the data & feedback from stakeholders to continually improve the Quality Management System.

### **INSPECTION BODY ACCREDITATION- TYPE "A"**

CEIL is accredited as a Type "A" (Third Party Inspection Agency) Inspection body as per the requirements of ISO 17020:2012 by NABCB. It is an international ISO standard for conformity assessment of inspection bodies. The scope for accreditation includes Fabricated metal products, Machine and Equipment, Electrical Equipment, Gas Supply, Engineering Services and ERDMP Certification. Periodic external audit is conducted by Certifying Body and present certificate of approval is valid up to 19.06.2026

Quality Management System and ISO 17020 accreditation of CEIL provides the competitive edge in securing and executing the projects with focus on full customer satisfaction.

### **APPROVALS**

CEIL has secured Petroleum and Natural Gas Regulatory Board (PNGRB) empanelment for following categories with validity up to 19.06.2025:

#### **A. Emergency Response & Disaster Management Plan (ERDMP):**

CEIL continues as an approved Third Party Inspection body under PNGRB for review and verification of Emergency Response & Disaster Management Plan (ERDMP) for Midstream and Downstream facilities of hydrocarbon sector.

#### **B. Technical Standards and Specifications including Safety Standards (T4S):**

CEIL continues to be an approved Third party Inspection body under PNGRB for carrying out Technical Standards and Specifications including Safety Standards (T4S) Audits for Natural Gas Pipelines (NGPL) and City Gas Distribution (CGD) networks.

#### **C. Integrity Management System for Natural Gas Pipelines and CGD Networks (IMS):**

CEIL continues to be an approved Third Party Inspection body under PNGRB for carrying out Pipeline Integrity Management System Audits for Natural Gas Pipelines and CGD Networks.

#### **Petroleum & Explosives Safety Organization (PESO):**

CEIL continues its approval from PESO as a recognized competent person for inspection and certification under rule 13(2) SMPV(U) Rules, 1981. During the year we got approval for rule 18.

#### **Indian Boiler Regulations (IBR):**

CEIL is approved by Central Boiler Board as Inspecting Authority under Indian Boiler Regulations, 1950 both in India and all countries outside India (as separate approvals) with validity up to 29.06.2026.

#### **Reporting of Frauds by Auditors**

The Auditors in their report for the year have not reported any instance of fraud committed by the officers/ employees of the Company.

#### **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.

#### **STATUTORY AUDITORS**

M/s Goyal Parul & Co., Chartered Accountants were appointed as Statutory Auditors of your Company for the Financial Year 2022-23 by the Office of the Comptroller & Auditor General of India.

#### **AUDITOR'S REPORT**

The statutory auditor's report for the FY 2022-23 contains certain qualifications. The said qualifications along with

the Management's Replies on the comments of the Auditors is enclosed.

#### **AUDIT COMMITTEE**

Due to absence of Non-official Independent Director on the Board of the Company, presently, there is no Audit Committee.

The recommendations made by the Audit Committee during the financial year 2022-23 were accepted by the Board. The other details of Audit Committee like composition, terms of reference, meetings held are provided in the Corporate Governance Report.

#### **REMUNERATION COMMITTEE**

Due to absence of Non-official Independent Director on the Board of the Company, presently there is no Remuneration Committee.





### **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has formed the Whistle Blower Policy/Vigil Mechanism and no personnel have been denied access to the Audit Committee. The Whistle Blower policy is uploaded and access available to all at the website of the Company, [www.ceil.co.in](http://www.ceil.co.in).

### **DECLARATION BY INDEPENDENT DIRECTORS**

Presently, there is no Independent Director on the Board of the Company. However, communication regarding appointment of Independent Director on the Board of the Company have been send to MoP&NG.

### **SIGNIFICANT AND MATERIAL ORDERS**

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### **DISCLOSURE ON THE SEXUAL HARRASEMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013**

During the financial year 2022-23, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **OTHER DISCLOSURES**

No disclosure or reporting is required in respect of the following items as either these were not applicable or there were no transactions on these items during the financial year 2022-23:-

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. Details regarding receipt of remuneration or commission by the Managing Director or the Whole-time Director from any of its subsidiaries.
5. Buy Back of shares.

Further, the Company have 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.

### **ACKNOWLEDGMENTS**

The Board of Directors express their sincere thanks to the esteemed Clients of CEIL for their continued patronage and express deep appreciation for the assistance provided by the various Ministries of the Government of India.

Your directors are also grateful to the bankers, statutory auditors, Comptroller and Auditor General of India for their continued patronage and confidence in the Company.

The Board of Directors express their sincere gratitude to EIL, the holding company for their all round support and look forward to their continued support and guidance.

The Board of Directors also wish to place on record their appreciation for the excellent contribution made by all the employees towards the successful operations of the Company.

The Board of Directors wishes every stakeholder of the Company, all the best for their endeavours.

**For & on behalf of the Board of Directors**

**Place:** New Delhi

**Date:** 31/08/2023

**(Vartika Shukla)**

**Chairman**

**DIN: 08777885**

## Management's Reply to Auditor's Report of Standalone Ind AS Financial Statements

Sl. No.	AUDITOR'S COMMENT	MANAGEMENT'S REPLY
1.	During the FY 22-23, the Company has issued credit notes to its customers to the tune of ₹15.49 Lakhs (PY ₹27.51 Lakhs) pertaining originally to the Service Tax Regime (i.e. on or before 30/06/2017) and ₹26.07 lakhs (PY ₹143 Lakhs) pertaining to GST Regime (i.e. after 30/06/2017) in contravention of provisions of the CGST Act 2017. The company has also issued fresh invoices against these credit notes under consideration, in violation of provisions of the CGST Act, 2017. We have observed these instances only up to May 2022.	<p>The credit note issued for the services rendered during the service tax regime, may be said to be a commercial credit note against which service tax liability has already been discharged under the erstwhile tax law(s).</p> <p>Though the company has levied and paid GST on the said invoice as well, the same shall not be said to be a violation of GST Law(s).</p> <p>Moreover, after the audit report for the fiscal year 2021-22, necessary steps have been taken to strength the system/procedures to avoid such repetition in future.</p>
2.	The Company has not restated its financial statements in respect of material prior period errors of NIL (PY ₹64.12 Lakhs) as per Para 42 of Ind AS-8 namely, "Accounting Policies, Changes in Accounting Estimate and Errors". It has resulted into understatement of profit for the year and overstatement of opening balance of retained earnings forming part of reserve & surplus under Other Equity by the amount of NIL (PY ₹64.12 Lakhs).	<p>The Company never had any reliable information on the reasons for such deductions before approving the financial statements for those prior periods. The invoices are always raised with the underlying expectation that it would be recovered in full. Therefore, no reliable information can reasonably be expected unless the client clearly states the reasons for such deduction.</p> <p>Therefore, the Company is justified in not restating the financial statements of the prior period as the credit notes, which are issued only after the stated reconciliation process, are clearly outside the ambit of definition of 'errors' as no reliable information was available with the Company before the specified periods.</p> <p>Also the Company had no intention to achieve a particular presentation of its financial position.</p>

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

We have the pleasure of presenting you an analysis report covering the performance of the company for the year 2022-23 and the future outlook.

### BUSINESS OVERVIEW

During the financial year 2022-23, your company was able to secure business worth ₹5487 Lakh. The order book as on 31.03.2023 was ₹5662 Lakh.

During the year, Company has secured major orders from Oil and Natural Gas Corporation (ONGC) Western and Eastern Offshore, L&T Hydrocarbon, Gujarat State Petronet Limited, GSPL India Gasnet Limited, Gujarat Gas, Konkan Railway (KRCL), Dedicated Freight Corridor Corporation (DFCCIL), Vadodara Municipal Corporation (VMSS) and regular orders from other esteemed clients like Surat Municipal Corporation (SMC), Rajkot Municipal Corporation, Cantonment Board, Bharat Vandana Park-Delhi etc. There has also been a steady order book for Third Party Inspection Services for J&K Govt, UP irrigation and regular clients. Technical services were also provided to parent company EIL for their ongoing projects continued.

### BUSINESS ENVIRONMENT AND FUTURE OUTLOOK

With a growing focus diversification in sectors like Railways, Infrastructure, coupled with Oil and Gas sector projects in Onshore as well as Offshore, the unexecuted portion of order book of ₹5662 Lakh which comprises of orders from ONGC, L&T Hydrocarbon, KRCL, DFCCIL, L&T Construction, Maharashtra Rail Infrastructure Development Corporation, IOCL Retail outlets, Jal Jeevan Mission projects, Tata Projects Limited, Vadodara Mahanagar Seva Sadan, Delhi State Industrial and Infrastructure Development Corporation, GSPL, GIGL, KRCL, Pune Smart City Development Corporation, Nashik Smart City, Vizag Steel Plant, RMC etc. Your Company expects to secure further assignments during the year from current and new clients which will translate into good order book position and healthy turnover.

Your company is aligning its growth strategy with GOI initiatives and is continuously exploring the possibility of scaling its domestic business and securing certification and TPI jobs in high growth sectors like Government Infrastructure projects, Pipelines, Railways, City Gas Distribution, Affordable Housing, Nuclear, Fertilizers, Power etc.

### FINANCIAL PERFORMANCE

During the financial year, the income from services rendered by the Company has increased to ₹4784.90 Lakh from ₹4624.50 Lakh in the previous year.

Profit before tax (PBT) has increased from ₹1125.16 Lakh to ₹1321.54 Lakh in the current financial year. Similarly, Profit after tax (PAT) has increased from ₹811.28 Lakh to ₹982.27 Lakh in the current financial year.

### RISK & CONCERNS

The Company has a robust Enterprise Risk Management System (ERM) in place which includes risk identification, assessment and risk mitigation. Risks pertaining to business, stakeholder, strategy, financial, execution, operations, health, safety and other related risks are systematically identified using a Risk Matrix. The ERM process is maintained and executed by the Risk Functional Committee, whose outcome is monitored at the apex with findings of the Risk Functional Committee being presented to CEIL Board biannually by CEO/CFO. The Management periodically reviews the status of identified risks and probable new risks and uses Enterprise Risk Management as an effective tool to foresee and take prompt actions for optimizing its business model.

### INTERNAL CONTROL SYSTEMS

Your company has in place adequate systems of internal control. These have been designed to provide reasonable assurance with regard to maintaining proper accounting controls, efficiency of operations, protecting assets from unauthorized use or losses and ensuring reliability of financial and operational information. Your company continued its efforts to align all its process and control with



best practices and is also controlling its operating process through well-defined international standard certification of ISO 9001:2015 and ISO 17020 accreditation.

Some significant features of the internal control systems are preparation and monitoring of annual budgets, internal audit and its review, clear delegation of authority and responsibility, corporate policy on accounting and periodic management meeting to review operation and plans in business areas.

### **SIGNIFICANT INITIATIVES**

In order to meet the challenges of continuing changing business environment and growing competition, corporate focus has been on various initiatives on increasing engagement in Company's core strength areas, gaining entry into areas that are expected to show significant growth in the near future like Infrastructure Projects, Railways, Defense, Nuclear, Fertilizer etc. Number of initiatives have also been taken for improvement in systems and processes, HR and for training & recruitment as well.

### **MATERIAL DEVELOPMENT IN HUMAN RESOURCES, INDUSTRIAL RELATION FRONT**

Strength of regular employees, including employees on deputation from EIL, was 66 during the year. 96 Man days training was imparted to employees during the year through 32 nos. training programs.

Your Company intends to pursue domain specific training related latest advanced NDT techniques, Asset Integrity Management, Industry 4.0 and other managerial training programs for the employees in future too, to retain the knowledge edge in its area of business.

The industrial relations remained cordial throughout the year. The employees of the Company have extended a very productive co-operation in the efforts of the management to carry the Company to greater heights.

### **MARKETING**

The company is successfully expanding its client's base with addition of new clients in existing and diversified business areas. Decentralization of Marketing activities with Senior Personnel at Regional offices handling marketing activities and overall monitoring by Head (Marketing) has helped the company to achieve significant order book. Engineers are motivated to discuss with the clients and suppliers during the inspection visits and inform the potential leads to marketing department. CEIL presence in Social Media Platforms is also yielding significant results.

### **OPERATIONAL IMPROVEMENT**

Major Operational Improvements like improving manpower productivity, optimization of cost, realization of outstanding etc. are ensured through strict monitoring of operations in

the Company and increase in use of Software Packages and automated systems.

### **COST CONTROL & MONITORING**

Effective cost reduction measures for control of travel cost, manpower cost etc. are taken up at all stages of operations. Deputation of engineers based on project requirements from nearby locations results in less travel cost.

### **CORPORATE SOCIAL RESPONSIBILITY**

Your Company's CSR initiatives aim at assisting socially and economically weaker segments of society, as well as defining the Company as a socially responsible business entity to employees, clients and other stakeholders. The company remains committed towards its social obligations and targets on capacity building, empowerment of communities, inclusive socio-economic growth, environment protection, development of backward regions and upliftment of marginalized & underprivileged section of society.

As part of CSR activities, during the financial year 2022-23, CSR activity was done with Tata Memorial Centre, Mumbai.

### **ENVIRONMENT PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENT, FOREIGN EXCHANGE CONSERVATION**

Environmental protection is an integral part of the Company's business processes. The Company is adopting a long term approach to business, built upon a solid commitment of sustainable growth through active participation in responsible environment practices.

### **MANAGEMENT INFORMATION SYSTEM (MIS)**

MIS in the company is constantly being fine tuned to cater to ever growing information needs for effective and quick decision making as well as for statutory requirements. This provides vital data inputs to management, highlighting operating variables, achievement vis-à-vis budgets and other decision support data.

### **DISCLOSURE BY SENIOR MANAGEMENT PERSONNEL**

Reflecting commitment towards increasing transparency in all spheres, Senior Management Personnel confirmed that, none of them has material financial and commercial transactions with the Company, where they have personal interest that may have a potential conflict with the interest of the Company.

### **CAUTIONARY STATEMENT**

Certain statements in the "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may get affected by actual results, resulting in future performance and outlook different from what the Management envisages.



# Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2022-23

## 1. Brief outline on CSR Policy of the Company.

To assist socially and economically disadvantaged segments of society to overcome hardship and impoverishment. To enhance increased commitment at all levels in the organization towards reinforcing its image as a social and environmental conscience company. The Company has undertaken CSR Projects/ Programs in line with Schedule VII of the Companies Act 2013, which are under the following thrust areas:

- Poverty and hunger eradication
- Education
- Health Care
- Drinking Water/Sanitation facility
- Gender equality and women empowerment
- Environment Protection

## 2. Composition of CSR Committee:

The Board of Directors of CEIL vide their circular resolution dated 26.09.2022 have approved the constitution of CSR Committee of the Board.

## 3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: <http://www.ceil.co.in>.

## 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): 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: No amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 or amount required to be set off for the financial year 2022-23.

## 6. Average net profit of the Company as per section 135(5): Average net profit for last three preceding FYs i.e. 2019-20, 2020-21 and 2021-22 was ₹1341.65 Lakh.

- Two percent of average net profit of the Company as per section 135(5): ₹26.83 Lakh.
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years: No surplus arose out of the CSR projects or programme or activities of the previous financial years.
- Amount required to be set off for the financial year, if any: No amount is available to be set off for the financial year.
- Total CSR obligation for the financial year (7a+7b-7c): ₹26.83 Lakh.

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account 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
13,22,340	13,60,960	29.04.2023	PM and National relief fund	1,11,656	29.09.2022



**(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 ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation Direct (Yes/No)	Mode of Implementation -Through Implementing Agency	
				State	District						Name	CSR Registration Number
1.	Tata Memorial Centre	Health care	Yes	Maharashtra	Mumbai		23.60 Lakh	9,99,040	13,60,960	Yes	-	-
	Total											

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
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		Amount spent for the project (in ₹)	Mode of implementation on-Direct (Yes/No)	Mode of Implementation-Through implementing agency	
				State	District			Name	CSR Registration Number
1									
2									
3									
	TOTAL								

**(d) Amount spent in Administrative Overheads** - No amount was spent on administrative overheads in FY 2022-23.**(e) Amount spent on Impact Assessment, if applicable**—Not Applicable**(f) Total amount spent for the Financial Year** (8b+8c+8d+8e)— ₹ 9,99,040/-

**(g) Excess amount for set off, if any—Nil**

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	26.83 Lakh
(ii)	Total amount spent for the Financial Year	9,99,040
(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:**

Sl.No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial year (in ₹)	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 ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2019-20	-	-	-	-	-	-
2.	2020-21	24,90,682	24,90,682	-	-	-	-
3.	2021-22	25,32,336	25,44,447	PM and National relief fund	8,72,891	29.09.2021	-
	<b>Total</b>						

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

(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 ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project- Completed/ Ongoing (in ₹)
1.		NAB	2021-22	2 Years	28,13,736	25,24,447	25,24,447	Completed
2.		Tata Memorial Centre	2022-23	2 Years	23,60,000	9,99,040	-	Amount of ₹ 13,60,960/- is transferred to Unspent CSR Account
		<b>Total</b>						

**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**

(asset-wise details) **Nil**

(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)

**No capital asset was created or acquired by CEIL itself.**

**11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5).**

Current financial year's total obligation under CSR has been approved and allocated towards ongoing projects, for which payments are to be released on completion of defined milestones which are under progress.

Chief Executive Officer

Chairman

## FORM NO. AOC- 2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

### **1. Details of contracts or arrangements or transactions not at Arm's length basis- NIL**

CEIL has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2022-23.

### **2. Details of contracts or arrangements or transactions at Arm's length basis-NIL**

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on Corporate Governance

Corporate Governance encompasses a set of systems and practices to endure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. Good governance practices stem from the dynamic culture and positive mindset of the organization. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons.

Your Company believes, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving. Our Corporate Structure, business, operations and disclosures practices have been strictly aligned to our Corporate Governance Philosophy.

### 2 Board of Directors

#### a) Composition of the Board of Directors

Certification Engineers International Limited (CEIL) is a public sector undertaking. The Articles of Association of the Company stipulates that the number of Directors shall not be less than three and more than fifteen.

As on March 31, 2023, CEIL is having 4 Directors on its Board. All the Directors are Part-time Directors including Chairman.

#### b) Number of Board Meetings

The Board of Directors met 5 times during the financial year 2022-23. The details of the Board Meetings are as under:

Sl.No.	Date of Meeting	Place	Board Strength	No. of Directors Present
1	April 25, 2022	New Delhi	4	4
2	May 18, 2022	Mumbai	4	3
3	May 25, 2022	New Delhi	4	4
4	June 7, 2022	New Delhi	4	4
5	August 1, 2022	New Delhi	4	4
6	October 28, 2022	New Delhi	3	3
7	January 25, 2023	New Delhi	4	4
8	March 10, 2023	New Delhi	4	3
9	March 29, 2023	New Delhi	4	4

#### c) Attendance record of Directors at Board Meetings and Annual General Meeting and number of other Directorships/ Committee Memberships/Chairmanships



Attendance of each Director at the Board Meetings and at the last Annual General Meeting held during the financial year 2022-23 and number of other Directorships/Committee Memberships/Chairmanships of each director is given below:

Name of the Director	Attendance Particulars		Number of other Directorships/ Committee Membership/Chairmanship		
	Board Meetings	Last AGM held on 21.09.2022	Other Directorships	Other Committee Memberships	Other Committee Chairmanship
I) Present Directors					
Smt. Vartika Shukla, Chairman	9	Yes	1	-	-
Shri Sanjay Jindal	9	No	1		
Shri V. John Paul	6	Yes	0	-	-
Smt. Jayati Ghosh*	3	N.A.	0	-	-
(B) Non Official Part-time Independent director					
II) Past Directors					
Smt. Anita Gurjar**	5	No	-	-	-

Remarks:

\* Smt. Jayati Ghosh was appointed as Part-time Director w.e.f. 05.01.2023.

\*\*The term of office of Smt. Anita Gurjar was completed on 20.10.2022.

## None of the Directors on the Board is a member of more than 10 committees or chairman of more than 5 committees across all the companies in which he is a Director. Membership/Chairmanship in committee is reckoned pertaining to Audit Committee and Stakeholders Relationship Committee.

#### Notes:

- (i) None of the Independent Directors are holding directorships in more than seven listed companies.
- (ii) The company has not issued any convertible instruments.

#### d) Board Procedure

The meeting of the Board of Directors are generally held at the Company's Registered Office in New Delhi. The meetings are generally scheduled well in advance. In case of exigencies or urgency, resolutions are passed by circulation. The Board meets at least once a quarter to review the quarterly performance and the financial results. The time gap between two meetings was not more than three months. The agenda for the meetings is prepared by the concerned officials and sponsored by CEO of the Company and approved by the Chairman. The Agenda Notes along with necessary papers are circulated to the Directors in advance. The members of the Board have access to all information and are free to recommend inclusion of any matter in the agenda for discussion. Senior executives are invited to attend the Board meetings and provide clarifications as and when required. Action Taken Reports are put up to the Board periodically.

#### e) Code of Business Conduct and Ethics for Board Members and Senior Management

The Board of Directors have laid down the Code of Business Conduct and Ethics for all Board Members and Senior Management of the Company. The same has also been posted on the Website of the Company at <http://ceil.co.in/Cg/CEIL-CodeofConduct.pdf>

#### Declaration as required under DPE Guidelines on Corporate Governance for CPSEs

All the Members of the Board and Senior Management Personnel have affirmed compliance of the Code of Business Conduct and Ethics for the financial year ended on March 31, 2023.

Place: Mumbai

Date : 31.03.2023

(Rajiv Ranjan)  
Chief Executive Officer

**f) Separate Meetings of Independent Directors**

As on 31.03.2023, No Independent Director is on the board of the Company. However, communication regarding appointment of Independent Director on the board of the Company have been send to MoP&NG. Further, during the year, CEIL have only one Independent Director, therefore separate meeting of the Independent Director was not held, as per the Guidelines issued by DPE on Role & Responsibilities of Non-Official Directors (Independent Directors) of CPSEs and in compliance to the other statutory provisions in this regard.

**g) Compliance Reports**

To the best of the knowledge and belief, the Company is complying with all applicable laws as on date. The Board has reviewed Compliance Report of all Laws applicable to the Company and the steps taken by the Company to rectify instances of non-compliances.

**h) Re-appointment of Directors**

The brief resume of the Director seeking appointment/re-appointment together with the nature of their expertise in specific functional areas, names of companies in which they hold directorships and the memberships/chairmanships of Committees of the Board alongwith their shareholding in the Company etc. pursuant to the statutory requirements is annexed to the notice calling the 28<sup>th</sup> Annual General Meeting.

**3. Audit Committee**

Due to absence of Independent Director on the board of CEIL, there is no Audit Committee of the Board as on 31.03.2023. However, the earlier Audit Committee comprises of Smt. Anita Gurjar (Non-official Independent Director) as Chairman, Shri Sanjay Jindal (Part-time Director) and Shri V. John Paul (Part-time Director) as members.

The terms of reference/scope, role and powers etc. of the Audit Committee are in accordance with DPE Guidelines on Corporate Governance for CPSEs. The details of meetings held during the financial year 2022-23 and the attendance of the Members is given below:

Sl.No.	Date of Meeting	Name	Chairman/Member	Attendance
1	18.05.2022	Smt. Anita Gurjar Shri Sanjay Jindal Shri V. John Paul	Chairman Member Member	Present Present -
2	25.05.2022	Smt. Anita Gurjar Shri Sanjay Jindal Shri V. John Paul	Chairman Member Member	Present Present Present
3	01.08.2022	Smt. Anita Gurjar Shri Sanjay Jindal Shri V. John Paul	Chairman Member Member	Present Present Present

**4. Subsidiary Companies**

The Company is not having any subsidiary company.

**5. Remuneration Committee/Remuneration of Directors**

The Company has formed a Remuneration Committee as per DPE OM dated 26<sup>th</sup> November, 2008 regarding pay revision of CPSE executives. Due to absence of Independent Director on the board of CEIL, there is no Remuneration Committee of the Board as on 31.03.2023. Further, no meeting was held during the financial year 2022-23.

The scope of the Remuneration Committee includes finalizing the salary structure, applicable perks & allowances and deciding the annual bonus pool/variable pay & policy for its distribution across the executives and Non-Unionised Supervisors within the prescribed limits. Remuneration Committee may also be called upon to decide issues like ESOP schemes, Performance Incentive Schemes, Superannuation Benefits and any other Fringe Benefits which may be considered appropriate. The Remuneration Committee shall also assist the Board in ensuring that appropriate and

effective remuneration packages and policies are implemented in CEIL for all employees including Directors and Chairman. The Committee's role also extends to the review of Non-Executive Director's fees. There is no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company. The part-time official Directors other than Non-official Independent Directors nominated on the Board do not draw any remuneration from the Company for their role as Director. The sitting fees fixed for Non-official Part-time Independent Directors of the Company is ₹15,000/- per meeting of the Board or its Committee thereof attended by them. The details of payments towards sitting fees to Non-official Independent Directors during the Financial Year 2022-23 are given below:-

Name of Non-official Part-time Independent Director	Sitting Fees*		Total
	Board Meeting	Committee Meeting	
Smt. Anita Gurjar	75000	45000	120000

\* Gross Fees excluding Tax Deducted at Source as per applicable Tax Laws and Rules.

#### 6. CSR and SD Committee of the Board

The Board of Directors of CEIL vide their circular resolution dated 26.09.2022 approve the constitution of CSR Committee of the Board.

#### 7. Accounting Treatment

The Financial Statements have been prepared as per generally accepted accounting principles and in accordance with the prescribed Accounting Standards.

#### 8. CEO/CFO Certification

The CEO and CFO have given the certificate to the Board as well as disclosed the required information to the Statutory Auditors and the Audit Committee in terms of DPE Guidelines on Corporate Governance for CPSEs and the same is annexed to this Report.

#### 9. Risk Management

The Company has well defined Risk Management policy. The objective of risk management in the Company is to act as enabler in maintaining its knowledge edge, sustaining and expanding the business, being competitive and ensuring execution of projects within budgeted cost and time resulting in improved turnover and profitability. The management is committed to further strengthen its risk management capabilities in order to protect and enhance shareholder value by improving its business performance. Continuous efforts in creating new opportunities, improving competencies /knowledge in various areas leading to improved performance and leveraging existing knowledge resources, in line with the risk appetite of the Company, has enabled the Company to protect the shareholders' interests

#### 10. General Body Meetings

##### i) Annual General Meeting (AGM)

The Annual General Meetings of the Company are held at New Delhi where the Registered Office of the Company is situated. The details of such meetings held during the last three years are as under:

AGM	Year	Venue	Date	Time
25 <sup>th</sup>	2019-20	EIB, 1, Bhikaiji Cama Place, New Delhi-110066	25.09.2020	10.00 a.m.
26 <sup>th</sup>	2020-21	EIB, 1, Bhikaiji Cama Place, New Delhi-110066	27.09.2021	03.00 p.m.
27 <sup>th</sup>	2021-22	EIB, 1, Bhikaiji Cama Place, New Delhi-110066	21.09.2022	03.00 p.m.

**ii) Details of Special resolutions passed at last three AGMs**

AGM	Details of Special Resolutions Passed
25 <sup>th</sup>	Nil
26 <sup>th</sup>	Nil
27 <sup>th</sup>	Nil

No special resolutions were put through postal ballot during the last year. No special resolution is proposed to be passed through postal ballot at the ensuing Annual General Meeting.

**iii) Extra-ordinary General Meeting (EGM)**

During the year 2022-23, an Extra-ordinary General Meeting of the Members was held on 01.08.2022 regarding the alteration of object clause of Memorandum of Association of the Company.

**11. Disclosures**

- (i) Details of transactions between the company and its holding Company, associates, key managerial personnel during the financial year 2022-23 are given in Note 34 of the Notes to Accounts for the year ended 31<sup>st</sup> March, 2023. These transactions do not have any potential conflict with the interests of the Company at large.
- (ii) There have been no instances of non-compliance by the Company and no penalties/strictures imposed on the Company by any statutory authority in any matters related to any Guidelines issued by Government during the last three years.
- (iii) The Company has in place a Vigil Mechanism/Whistle Blower Policy and no personnel have been denied access to the Audit Committee. The details of the same have also been posted on the website of the Company.
- (iv) The Company has complied with all the mandatory requirements of DPE Guidelines on Corporate Governance for CPSEs except some, which are mentioned in Compliance Report on Corporate Governance.
- (v) During the last three years, no Presidential Directive has been received by the Company.
- (vi) No Expenditures were debited in the Books of Accounts during the Financial Year 2022-23 which are not for the purposes of the Business.
- (vii) No expenses had been incurred which are personnel in nature and incurred for the Board of Directors and the top Management.
- (viii) The administrative and office expenses are 25.08% of the total expenses in the Financial Year 2022-23 as against 19.9% during the Financial Year 2021-22.
- (ix) None of the Directors of the Company are inter-se related as on 31<sup>st</sup> March, 2023.
- (x) None of the Non-official Part-time Independent Directors hold any equity shares of the Company as on 31<sup>st</sup> March, 2023.

**12. MEANS OF COMMUNICATION**

The quarterly/yearly financial results are displayed on the website viz. [www.ceil.co.in](http://www.ceil.co.in) of the Company. The website of the Company also displays the official news releases. Annual Report is also available on the website in a user friendly manner and is circulated to the members and other entitled.

**13. AUDIT QUALIFICATIONS**

The Statutory auditor's report for the FY 2022-23 contains two qualifications. The said qualifications along with the management's replies on the comments of the Auditor's is enclosed.

## 14. TRAINING OF BOARD MEMBERS

The Company has a well defined Training Policy for Board Members which is given on the website of the Company at <http://www.ceil.co.in>. Detailed presentations are made by senior executives/professionals/consultants on business related issues and the Directors have attended seminars/conferences/programmes from time to time.

## 15. Vigil Mechanism/Whistle blower Policy

The Vigil Mechanism/Whistle blower policy is placed on the website of the Company i.e. [www.ceil.co.in](http://www.ceil.co.in).

## 16. General Information

### i) Annual General Meeting

Day and Date	Thursday 14 <sup>th</sup> September, 2023
Time	3.00 PM
Venue	EIB, 1, Bhikaji Cama Place New Delhi - 110066

### ii) Financial Year

1<sup>st</sup> Day of April to 31<sup>st</sup> Day of March every year.

### iii) Dividend

The Board of Directors of the Company have recommended payment of Final Dividend of ₹43/- per share (9,00,000 equity shares of ₹ 100/- per share) for the Financial Year ended 31<sup>st</sup> March, 2023 subject to approval of Shareholders in the ensuing Annual General Meeting. This was in addition to the Interim Dividend of ₹60/- (9,00,000 equity shares of ₹ 100/- each) paid in January, 2023.

### iv) Registered office of the Company

Certification Engineers International Limited

E.I.Bhawan, 1,

Bhikaiji Cama Place,

New Delhi-110066.

CIN: U74899DL1994GOI062371

Tel. no. 011-26762121, Fax: 011-26164868, 011-26192693

Website: <http://www.ceil.co.in>

### v) Auditors

M/s Goyal Parul & Co.,

Chartered Accounts

78 J Extension, 3rd floor,

Near Guru Ramdass Nagar School,

Laxmi Nagar, Delhi-110092.



## CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Rajiv Ranjan, Chief Executive Officer and P.Nagini, Chief Financial Officer of Certification Engineers International Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the Financial results for the Quarter and year ended 31<sup>st</sup> March, 2023.
2. Based on our knowledge and information, these Financial Results do not contain any untrue statement of a material fact or omit any material fact or contain statements that might be misleading.
3. Based on our knowledge and information, these Financial Results together present a true and fair view of the company's operations and are in compliance with the existing Accounting Standards and /or applicable Laws and Regulations.
4. To the best of our knowledge and belief, no transactions entered into by the Company during the quarter and year, are fraudulent, illegal or violative of the Company's Code of Conduct.
5. We are responsible for establishing and maintaining internal controls over financial reporting and we have evaluated the effectiveness of such controls.
6. We have disclosed, wherever applicable, to the Company's Auditors and Audit Committee :
  - a) Any deficiencies in the design or operation of internal control for financial reporting including any corrective action with regard to deficiencies;
  - b) Significant changes in internal control over financial reporting during the quarter and year;
  - c) Significant changes in accounting policies during the quarter & year and the impact thereof, if any, have been disclosed in Notes to the Financial Results.
  - d) Instances of significant fraud, of which we are aware, that involves management or other employees who have significant role in the Company's internal control system over financial reporting.

Place: New Delhi

Date: 23.05.2023

Rajiv Ranjan

Chief Executive Officer

P. Nagini

Chief Financial Officer

# Independent Auditors Report on Compliance with Corporate Governance Requirements Under Guidelines Issued by Ministry of Heavy Industries and Public Enterprises

To,  
The Members of  
Certification Engineers International Limited

1. This certificate is issued in accordance with the terms of our engagement letter with the company.
2. This report contains details of compliance of conditions of corporate governance by Certification Engineers International Ltd. ('the company') for the year ended 31<sup>st</sup> March, 2023 as stipulated in guidelines vide O.M No. 18(8)/2005-GM dated 14.05.2010 of the Ministry of Heavy Industries and Public Enterprises, DPE, Government of India.

## **Management's Responsibility for Compliance with the Conditions of Corporate Governance**

3. The compliance with the terms and conditions for corporate governance contained in the aforesaid guidelines of the ministry of Heavy Industries and Public Enterprises, DPE, Government of India is the responsibility of the management of the company including the preparation and maintenance of all relevant supporting records and documents.

## **Auditor's Responsibility**

4. Our examination was limited to procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of corporate governance mentioned in the aforesaid guidelines. It is neither an audit nor an expression of opinion on the financial statements of the company.
5. Pursuant to the requirements of the aforesaid guidelines issued by the Ministry of Heavy Industries and Public Enterprises, it is our responsibility to provide a reasonable assurance as to whether the company has complied with the conditions of Corporate Governance as stipulated in the aforesaid guidelines for the year 31<sup>st</sup> March 2023.
6. We conducted our examination in accordance with the Guidance note on reports or Certificates for special Purposes issued by the Institute of Chartered Accountants of India ('ICAI'). The guidance note requires that we comply with the ethical requirements of the code of ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Relevant Services Engagements.

## **Qualified Opinion**

8. In our opinion, and to the best of our information and according to explanations given to us, subject to qualifications mentioned below we certify that the company has complied with the conditions of Corporate Governance as stipulated in the abovementioned guidelines vide O.M No. 18(8)/2005-GM dated 14.05.2010 of the Ministry of Heavy Industries and Public Enterprises, DPE, Government of India except with:

- a) As per sub clause 3.1.1 of clause 3 of Chapter-3 of Guidelines on Corporate Governance for Central Public Sector Enterprises 2010, issued vide O.M. No. 18(8) /2005-GM dated 14.05.2010 of Ministry of Heavy Industries and Public Enterprises, DPE, Govt. of India, (DPE Guidelines) there should be optimum combination of Functional, Non Functional Directors in the Board of the Company. In this regard, Sub clause 3.1.1 of clause 3 of Chapter-3 of Guidelines of above Guidelines is reproduced as under :

### **Clause 3.1.1 of DPE Guidelines**

"The Board of Directors of the company shall have an optimum combination of Functional, Nominee and Independent Directors."

As there was no functional Director exists in the Board of the Company during the FY 2022-23, hence there emerges out the non-compliance of the above provision of DPE Guidelines.

- b) As per sub clause of 3.1.4 of clause 3 of Chapter-3 of above Guidelines, in case of a CPSE not listed on Stock Exchange, at least one-third of the Board Members should be Independent Directors. With reference to above, sub clause 3.1.4 of clause 3 of Chapter-3 of above Guidelines states as under :

### **Clause 3.1.4 of DPE Guidelines:**

"In case of a CPSE listed on the Stock Exchanges and whose Board of Directors is headed by an Executive Chairman, the number of Independent Directors shall be at least 50% of Board Members; and in case of all other CPSEs (i.e. listed on Stock Exchange but without an Executive Chairman, or not listed CPSEs), at least one-third of the Board Members should be Independent Directors."

There was only one independent director, Ms. Anita Singh in the Company during the period from 01.04.2022 to 20.10.2022. The Company has failed to fill up the requisite position of Independent Directors despite follow up with the Ministry concerned and as such it remained non-complied with respect to default period as mentioned herein-above.

c) The Audit Committee of the Company was not constituted as per provisions of DPE Guidelines. With reference to constitution of Audit Committee, Clause 4.1 of Chapter-4 of above Guidelines, states as under:

**Clause 4.1 of DPE Guidelines**

A qualified and independent Audit Committee shall be set up, giving the terms of reference.

4.1.1 The Audit Committee shall have minimum three Directors as members. Two-thirds of the members of audit committee shall be Independent Directors.

4.1.2 The Chairman of the Audit Committee shall be an Independent Director.

4.1.3 All members of Audit Committee shall have knowledge of financial matters of Company, and at least one member shall have good knowledge of accounting and related financial management expertise.

There was only one independent director, Ms. Anita Singh in the Company during the period from 01.04.2022 to 20.10.2022. The Company remained non-complied with respect to the default period mentioned in question.

d) The meetings of the Audit Committee were not held as per DPE Guidelines. Only Three Meetings of Audit meetings were held in first two quarters of FY 22-23. In this regard, Clause 4.4 clause 4 of DPE Guidelines, provides as under:

**Clause 4.4 of DPE Guidelines**

“4.4: The Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but a minimum of two independent members must be present.”

e) The company has not constituted a Remuneration Committee in absence of any Independent Director which is in contravention to clause 5.1 of the DPE Guidelines which state as under:

“Each CPSE shall constitute a Remuneration Committee comprising of at least three Directors, all of whom should be part-time Directors (i.e Nominee Directors or Independent Directors). The Committee should be headed by an Independent Director.”

9. We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**Restriction on use**

10. The certificate is addressed and provided to the members of the company solely for the purpose to enable the company to comply with the requirement of guidelines vide O.M No. 18(8)/2005-GM dated 14.05.2010 of the Ministry of Heavy Industries and Public Enterprises, DPE, Government of India, and it should not be used by any other person or for any other purpose.

Accordingly, we do not accept or assume any liability or any duty of care for any other person to whom this certificate is shown or into hands it may come without our prior consent in writing.

For GOYAL PARUL & Co  
Chartered Accountants  
Firm's Reg. No. : 016750N

(Sanchit Agrawal)  
Partner

M. No.: 435163

UDIN: 23435163BGTTZP3949

Place: New Delhi

Date: 23.05.2023

## MANAGEMENT'S REPLY TO AUDITOR'S REPORT ON CORPORATE GOVERNANCE (2022-23)

Sl. No.	AUDITOR'S COMMENT	MANAGEMENT'S REPLY
1.	Composition of Board w.r.t. number of Full-time Functional Directors does not exist.	Being a wholly owned subsidiary of Engineers India Limited (EIL) and given the nature and scale of operations and in line with Articles of Association of the Company, requirement of full time Functional Director was not envisaged at the time of formation of the Company and the present scenario is status quo.
2	As per the DPE Guidelines on Corporate Governance, the Company did not have two Independent Directors in its Board. There is only one Independent Director in the Company during the period from 01.04.2022 to 20.10.2022.	CEIL is a Public Sector Undertaking and appointment of Independent Directors are made by the Government of India.
3.	The Audit Committee of the Company was not properly constituted as per provisions of DPE Guidelines.	CEIL is a Public Sector Undertaking and appointment of Independent Directors are made by the Government of India.
4.	The meeting of the Audit Committee were not held as per DPE Guidelines.	CEIL is a Public Sector Undertaking and appointment of Independent Directors are made by the Government of India.
5.	The Company has not constituted a Remuneration Committee in absence of any Independent Director.	CEIL is a Public Sector Undertaking and appointment of Independent Directors are made by the Government of India.

## INDEPENDENT AUDITORS' REPORT

To,  
The Members of  
Certification Engineers International Limited

Report on the Audit of the Standalone Ind AS Financial Statements

### QUALIFIED OPINION

We have audited the accompanying standalone Ind AS financial statements of Certification Engineers International Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2023, the Statement of Profit and Loss (including other comprehensive income), statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report the aforesaid Ind AS Standalone financial statements give the information required by the Companies Act, 2013 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, 2023, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

We conducted our audit of Standalone Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 Standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone Ind AS financial statements.

- 1) During the FY 22-23, the Company has issued credit notes to its customers to the tune of ₹ 15.49 Lakhs (PY 27.51 Lakhs) pertaining originally to the Service Tax Regime (i.e. on or before 30/06/2017) and ₹ 26.07 lakhs (PY 143 Lakhs) pertaining to GST Regime (i.e. after 30/06/2017) in contravention of provisions of the CGST Act 2017. The company has also issued fresh invoices against these credit notes under consideration, in violation of provisions of the CGST Act, 2017. We have observed these instances only upto May 2022.
- 2) The Company has not restated its financial statements in respect of material prior period errors of NIL (PY 64.12 Lakhs) as per Para 42 of Ind AS-8 namely, "Accounting Policies, Changes in Accounting Estimate and Errors". It has resulted into understatement of profit for the year and overstatement of opening balance of retained earnings forming part of reserve & surplus under Other Equity by the amount of NIL (PY 64.12 Lakhs).

### Emphasis of Matters

We draw attention to the following matters:

- a) Note -40 to the accompanying standalone Ind AS financial statements regarding ad-hoc provision made by the company on account of Performance Related Pay (PRP) for the year 2022-23 amounting to 49.77 lakhs (Previous Year 25.53 lakhs) and provision for cafeteria allowance of ₹ 96.95 Lakhs (Previous Year 68.36 Lakhs) in accordance with the approval of Board of Directors for increase of the allowance from 30% to 35% retrospectively. As informed, the proposal for increase in cafeteria allowance is under consideration with the concerned Ministry.

Our Opinion is not modified in respect of the above matters.



### **Information Other than the Standalone Ind AS 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 Report and Chairman's statement but does not include the financial statements and our auditor's report thereon. Our opinion on the Standalone Ind AS 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 Standalone Ind AS Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information included in the Annual Report, if we conclude that there is a material misstatement therein; we are required to communicate the matter with those charged with governance.

### **MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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.

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 judgement and maintain professional skepticism 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 the internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 contents of the Financial Statements, including the disclosures, and whether the Financial Statements representing the underlying transactions and events in a manner that achieves fair representation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS 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 Ind AS 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit on the Ind AS financial statements.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure – "A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, 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 Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended except as mentioned in basis of Qualified Opinion Paragraph of our report.
  - (e) In terms of notification No. GSR 463 (E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub section 2 of Section 164 of the Act, are not applicable to the Company, being a Government Company.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
- (B) 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, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - (ii) The Company has made provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 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) The Company has dividend declared or paid during the year in compliance with section 123 of the Companies Act 2013.

(vi) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account 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 audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

(C) With respect to the matter to be included in the Auditors Report under 197(16) of the Act:

In our opinion and according to the information and explanations given to us, Government Companies vide MCA's notification published in Gazette Dt. 5th June 2015, are exempted from the applicability of provisions of section 197 read with Schedule V to the Companies Act regarding managerial remuneration.

3. With respect to the report pursuant to directions issued by the Comptroller and Auditor General of India u/s 143(5) of Companies Act, 2013 for the year ended 31<sup>st</sup> March 2023 on accounts audited by us, refer to our separate Report in Annexure "C".

For GOYAL PARUL & Co  
Chartered Accountants  
Firm's Reg. No. : 016750N

Place: New Delhi  
Date: 23.05.2023

(Sanchit Agrawal)  
Partner  
M. No.: 435163  
UDIN: 23435163BGTTP3949

## Annexure-A to the Independent Auditors' Report on the Audit of Standalone Ind AS Financial Statements

**Annexure referred to in Paragraph 1 under our 'Report on Other Legal Regulatory Requirements section in the Independent Auditor Report of even date on the standalone Ind AS Financial Statements of Certification Engineers International Limited for the year ended 31<sup>st</sup> March 2023, we report that:-**

(i) In respect of the Company's property, plant and equipment and intangible assets:

- (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanation given to us, property, plant and equipment have been physically verified by the management at reasonable intervals, having regard to the size of the Company and nature of its assets and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements 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) or intangible assets or both during the year.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.

(ii) (a) According to the information and explanation given to us and the records examined by us, physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancy of 10% or more in aggregate for each class of inventory was noticed on physical verification of stocks by the management as compared to book records.

- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of the time during the year, from banks or financial institution on the basis of security of current assets, so this point is not applicable.

(iii) In our opinion and according to the information and explanation given to us, during the year the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties. So, the sub clauses (a) to (f) are not applicable on the company.

(iv) In our opinion and according to the information and explanation given to us and based on the audit procedures conducted by us, the Company has complied with the provisions of sections 185 and 186 of the Act, with respect to loans and advances granted, guarantees and securities provided and investments made by the Company during the year.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of the directive issued by the RBI provisions of Section 73 to 76 of the Act or any other relevant provisions of the Act and the relevant rules framed there under. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Companies Act, 2013.

(vii) According to the information and explanations given to us in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, service tax and other material statutory dues, as applicable with the appropriate authorities. According to the information and explanation given to us, there were no undisputed amounts payable in respect of above statutory dues outstanding on 31 March 2023 for a period of more than 6 months from the date they became payable except:

Sl.No.	Nature of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
1	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	2.24	April 22- August 22	15 <sup>th</sup> of Next month	Not Paid	As informed, the amount is pending due to aadhar updation of employee

(b) According to the information and explanations given to us, there are no dues of provident fund, Employees State Insurance, Income Tax, Goods and Service Tax (GST), Cess that have not been deposited on account of any dispute, except the following:-

Sl.No.	Nature of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
1.	Finance Act, 1994	Service Tax	1130.41*	April 2004 to March 2013	CESTAT
2.	Income Tax Act, 1961	Income Tax Rectification u/s 154	63.24	AY 2016-17	Jurisdictional Assessing Officer
3.	Income Tax Act, 1961	Income Tax Rectification u/s 154	124.37	AY 2015-16	Jurisdictional Assessing Officer

\*inclusive of interest and penalty

(viii) According to the information and explanations given to us, there are no such transactions which are not recorded in the books of accounts have been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961.

- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon.
- (b) In our opinion and according to the information and explanations given to us, the Company has not availed any loans, thus reporting under sub-clauses (b), (c) (d), (e) and (f) are not applicable.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year.
- (xi) (a) In our opinion and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year and hence reporting under clause 3 (xi)(a) and (b) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, the Company has not received any whistle blower complaints upto the date of this report and hence reporting under clause 3(xi)(c) of the Order is not applicable.



- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, clause 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, all the major transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable and the details have been disclosed in the financial statements, etc., as required by the applicable Accounting Standards.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of internal auditors of first Half Year have only been considered during the course of audit.
- (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) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
- (b) In our opinion and according to the information and explanation given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) In our opinion and according to the information and explanations given to us, The Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly reporting under clause 3(xvi)(c) of the order is not applicable.
- (d) In our opinion and according to the information and explanations given to us, there are 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) The unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act are in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.

For GOYAL PARUL & Co  
Chartered Accountants  
Firm's Reg. No. : 016750N

(Sanchit Agrawal)  
Partner

M. No.: 435163

UDIN: 23435163BGTTZP3949

Place: New Delhi

Date: 23.05.2023

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF CERTIFICATION ENGINEERS INTERNATIONAL LIMITED

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").**

We have audited the internal financial controls over financial reporting of **Certification Engineers International Limited** ("the Company") as of March 31, 2023 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 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.

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 qualified audit opinion on the Company's internal financial controls system over financial reporting.

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

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable 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 over Financial Reporting**

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

#### **Qualified Opinion:**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31<sup>st</sup> March 2023:

1. The Company needs to strengthen their internal financial control system with regard to the control activities in compliance of payment mechanism in banking transactions as such we have found one isolated instance wherein an amount of ₹ 130 Lakhs was inadvertently transferred to an incorrect bank account by the company. As informed to us, the amount has been recovered till signing of this audit report.

2. The procedure for identification, recording and reconciliation of payments received from customers' needs improvement. Management informed that the process is being reviewed and shall be revised accordingly. This may have led to overstatement of Current Tax Liability (due to unaccounted Income Tax TDS), Trade Receivables and Provision for doubtful debts in the financial statements. However, our opinion on financial statements is not modified in respect to this deficiency of internal financial control.
3. The internal controls needs further strengthening in respect of implementation of risk management and systems to ensure continued implementation of Company's risk management policy and strategy and documentation thereof, critical review and refresh process on an ongoing basis. To avoid any manual intervention in the preparation and reporting of financials in future, an updated accounting package needs to be implemented. However, management informed to us that the available integrated information technology software is being further updated to meet the requirements of the company.

In our opinion, to the best of our information and according to the explanations given to us, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2023, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For GOYAL PARUL & Co  
Chartered Accountants  
Firm's Reg. No. : 016750N

(Sanchit Agrawal)  
Partner

M. No.: 435163

UDIN: 23435163BGTTZP3949

Place: New Delhi  
Date: 23.05.2023

## Compliance Certificate

We have conducted the audit of accounts maintained at Head Office of Certification Engineers International Limited for the year ended 31<sup>st</sup> March 2023 in accordance with the directions/sub directions issued by C & AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions / Sub-Directions issued to us.

For GOYAL PARUL & Co  
Chartered Accountants  
Firm's Reg. No. : 016750N

Place: New Delhi  
Date: 23.05.2023

(Sanchit Agrawal)  
Partner  
M. No.: 435163  
UDIN: 23435163BGTTZP3949

## To the Independent Auditors' Report of Even Date on the Standalone Ind AS Financial Statements of Certification Engineers International Limited

**Annexure referred to in Paragraph "3" under our 'Report on Other Legal Regulatory Requirements' section of our report of even date to the members of Certification Engineers International Limited on the Standalone Ind AS Financial Statements for the year ended 31<sup>st</sup> March 2023**

Report on Directions issued by the Comptroller and Auditor General of India Under Section 143(5) of the Companies Act, 2013 in respect of Accounts of CERTIFICATION ENGINEERS INTERNATIONAL LIMITED audited by us for the year ended 31<sup>st</sup> March 2023.

Sl. No.	Directions	Reply
I	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Company has system in place to process all the accounting transactions through IT System. All the transactions are stored on parent company's server to keep the data safe and secure. As no accounting transaction is outside IT System, there is no financial implication in that regard.
II	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for ? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company)	As per information and explanations given to us and based on our examination of records no restructuring of an existing loan or cases of waiver/ write off of debts /loans/interest etc. made by a lender to the Company.
III	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	As per the information and explanations given to us and based on our examination of records no funds have been received for specific schemes from central/ state agencies.

For GOYAL PARUL & Co  
Chartered Accountants  
Firm's Reg. No. : 016750N

(Sanchit Agrawal)  
Partner

M. No.: 435163

UDIN: 23435163BGTTZP3949

Place: New Delhi  
Date: 23.05.2023



# CERTIFICATION ENGINEERS INTERNATIONAL LIMITED

## BALANCE SHEET As At 31 March 2023

(₹ In Lakhs)

PARTICULARS	Note No.	AS AT 31 March 2023	AS AT 31 March 2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4	17.83	25.42
Right of Use Assets	4A	201.02	231.66
Other Intangible Assets	5	0.91	1.74
<b>Financial Assets</b>			
Other Financial Assets	6A	3.13	20.15
Deferred Tax Assets (Net)	7	321.00	264.09
Non-Current Tax Assets (Net)	8	144.34	250.73
Other Non-Current Assets	9A	1.91	1.15
<b>Total Non-Current Assets</b>		<b>690.15</b>	<b>794.94</b>
<b>CURRENT ASSETS</b>			
Inventories	10	6.02	5.85
<b>Financial Assets</b>			
Trade Receivables	11	1,662.21	1,527.64
Cash and Cash Equivalents	12	323.64	315.91
Other Bank Balances	13	6,537.17	5,951.54
Other Financial Assets	6B	1,093.17	1,017.05
Other Current Assets	9B	67.86	74.34
<b>Total Current Assets</b>		<b>9,690.07</b>	<b>8,892.33</b>
<b>Total Assets</b>		<b>10,380.22</b>	<b>9,687.27</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	14	900.00	900.00
Other Equity (Refer Statement of Changes in Equity and Note 15)		7,244.13	7,030.16
<b>Total Equity</b>		<b>8,144.13</b>	<b>7,930.16</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>Financial Liabilities</b>			
Lease Liabilities	4A	7.38	24.45
Other Financial Liabilities	16A	0.16	0.15
Long-Term Provisions	18A	807.83	761.06
Other Non-Current Liabilities	17A	-	0.02
<b>Total Non-Current Liabilities</b>		<b>815.37</b>	<b>785.68</b>

PARTICULARS	Note No.	AS AT 31 March 2023	AS AT 31 March 2022
<b>CURRENT LIABILITIES</b>			
Financial Liabilities			
Lease Liabilities	4A	24.32	34.57
Trade Payables	19		
Total outstanding dues of Micro Enterprises and small enterprises		1.72	59.62
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		568.49	195.55
Other Financial Liabilities	16B	292.05	227.39
Other Current Liabilities	17B	372.28	302.35
Short-Term Provisions	18B	136.11	110.74
Current Tax Liabilities (Net)	20	25.76	41.21
<b>Total Current Liabilities</b>		<b>1,420.72</b>	<b>971.43</b>
<b>Total Equity and Liabilities</b>		<b>10,380.22</b>	<b>9,687.27</b>

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements. 1 to 55  
This is the balance sheet referred to in our report of even date

For and on behalf of Certification Engineers International Limited

**For Goyal Parul & Co.**  
Chartered Accountants  
Firm Regn. No. 016750N

**CA SANCHIT AGRAWAL**  
Partner  
Membership No. 435163  
UDIN : 23435163BGTTP3949

**( J. TOTLANI )**  
Company Secretary  
PAN : BGIPK9258H

**(P. NAGINI)**  
Chief Financial Officer  
PAN : AFCPP1627F

**(RAJIV RANJAN)**  
Chief Executive Officer  
PAN : AAPPR0496J

**(SANJAY JINDAL)**  
Director  
DIN : 09223617

**(VARTIKA SHUKLA)**  
Chairman  
DIN : 08777885

Place : New Delhi  
Date : May 23, 2023

# CERTIFICATION ENGINEERS INTERNATIONAL LIMITED

## Statement of Profit And Loss

For The Year Ended 31 March 2023

(₹ In Lakhs)

PARTICULARS	Note No.	31 March 2023	31 March 2022
<b>REVENUE</b>			
Income From Services	21	4,784.90	4,624.50
Other Income	22	383.41	366.14
<b>Total Income</b>		<b>5,168.31</b>	<b>4,990.64</b>
<b>EXPENSES</b>			
Manpower Services	23	838.09	836.70
Employee Benefits Expenses	24	1,840.77	2,031.65
Finance Costs	25	6.00	10.54
Depreciation and Amortisation Expenses	26	48.27	43.79
Other Expenses			
Facilities Costs	27A	254.43	206.21
Corporate Costs	27B	71.16	60.22
Other Costs	27C	788.06	676.37
<b>Total Expenses</b>		<b>3,846.77</b>	<b>3,865.48</b>
<b>PROFIT BEFORE TAX</b>		<b>1,321.54</b>	<b>1,125.16</b>
Tax Expense			
Current Tax	28	396.18	322.22
Earlier years tax adjustments (net)		-	7.47
Deferred Tax		(56.91)	(15.81)
<b>Profit For The Year</b>		<b>982.27</b>	<b>811.28</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to profit and loss			
Re-measurement gains (losses) on defined benefit plans		7.61	19.52
Income tax relating to items that will not be reclassified to profit and loss		(1.91)	(4.91)
<b>Total Comprehensive Income For The Year</b>		<b>987.96</b>	<b>825.89</b>
<b>Earnings Per Equity Share (Face Value ₹ 100 Per Share)</b>	29		
Basic (₹)		109.14	90.14
Diluted (₹)		109.14	90.14

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.

This is the Statement of profit and loss referred to in our report of even date

1 to 55

For and on behalf of Certification Engineers International Limited

**For Goyal Parul & Co.**

Chartered Accountants

Firm Regn. No. 016750N

**CA SANCHIT AGRAWAL**

Partner

Membership No. 435163

UDIN : 23435163BGTTZP3949

**( J. TOTLANI )**

Company Secretary

PAN : BGIPK9258H

**( P. NAGINI )**

Chief Financial Officer

PAN : AFCPP1627F

**( RAJIV RANJAN )**

Chief Executive Officer

PAN : AAPPR0496J

**( SANJAY JINDAL )**

Director

DIN : 09223617

**( VARTIKA SHUKLA )**

Chairman

DIN : 08777885

Place : New Delhi

Date : May 23, 2023

# CERTIFICATION ENGINEERS INTERNATIONAL LIMITED

## Statement of Changes In Equity

As At 31st March'2023

### (A) Equity Share Capital\*

(₹ In Lakhs)

Particulars	Opening Balance As At 1 <sup>st</sup> April 2022	Changes in Equity share capital due to prior period errors	Restated Balance at the beginning of the reporting period	Changes in Equity Share Capital During The Year	Balance as at 31 <sup>st</sup> March 2023
Equity Share Capital	900.00	-	900.00	-	900.00

(₹ In Lakhs)

Particulars	Opening Balance As At 1 <sup>st</sup> April 2021	Changes in Equity share capital due to prior period errors	Restated Balance at the beginning of the reporting period	Changes in Equity Share Capital During The Year	Balance as at 31 <sup>st</sup> March 2022
Equity Share Capital	900.00	-	900.00	-	900.00

### (B) Other Equity\*\*

(₹ In Lakhs)

Description	Reserves and Surplus			Other Comprehensive Income	Total
	General Reserve	Retained Earnings	CSR Activity Reserve	Remeasurement of Defined Benefit Plans (Net of Taxes)	
<b>Balance as at 31 March 2021</b>	6,484.64	620.69	73.52	(11.58)	7,167.27
Changes in the accounting policy or prior period errors					
Restated balance as at 31st March 2021					
Profit for the year	-	811.28	-	-	811.28
Other comprehensive income	-	-	-	14.61	14.61
Dividend	-	(963.00)	-	-	(963.00)
Transfer from retained earnings	197.69	(225.83)	28.14	-	(0.00)
Transfer to retained earnings	-	84.56	(84.56)	-	-
<b>Balance as at 31 March 2022</b>	<b>6,682.33</b>	<b>327.70</b>	<b>17.10</b>	<b>3.03</b>	<b>7,030.16</b>
Changes in the accounting policy or prior period errors					
Restated balance as at 31st March 2022					
Profit for the year	-	982.27	-	-	982.27
Other comprehensive income	-	-	-	5.70	5.70
Dividend	-	(774.00)	-	-	(774.00)
Transfer from retained earnings	93.70	(120.53)	26.83	-	-
Transfer to retained earnings	-	14.34	(14.34)	-	-
<b>Balance as at 31 March 2023</b>	<b>6,776.03</b>	<b>429.78</b>	<b>29.59</b>	<b>8.73</b>	<b>7,244.13</b>

\*Refer note 14 for details

\*\*Refer note 15 for details

For and on behalf of Certification Engineers International Limited

**For Goyal Parul & Co.**

Chartered Accountants

Firm Regn. No. 016750N

**CA SANCHIT AGRAWAL**

Partner

Membership No. 435163

UDIN : 23435163BGTTP3949

**( J. TOTLANI )**

Company Secretary

PAN : BGIPK9258H

**( P. NAGINI )**

Chief Financial Officer

PAN : AFCPP1627F

**( RAJIV RANJAN )**

Chief Executive Officer

PAN : AAPPR0496J

**( SANJAY JINDAL )**

Director

DIN : 09223617

**( VARTIKA SHUKLA )**

Chairman

DIN : 08777885

**Place : New Delhi**

**Date : May 23, 2023**



# CERTIFICATION ENGINEERS INTERNATIONAL LIMITED

## CASH FLOW STATEMENT

for the Year Ended 31 March 2023

(₹ In Lakhs)

PARTICULARS	31 March 2023	31 March 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	1,321.54	1,125.16
<b>Adjustments for:</b>		
Depreciation and Amortisation Expenses	48.27	43.79
Provision For Employee Benefits	83.66	176.77
Allowance for expected credit losses -trade receivables and advances (net)	210.51	(114.40)
Provision for corporate social responsibility	(25.24)	25.32
Interest Income and Amortised Income On Security Deposit	(345.54)	(366.14)
Deferred Income	(1.12)	
Interest Expense	-	10.54
<b>Operating Profit Before Working Capital Changes</b>	<b>1,292.07</b>	<b>901.04</b>
<b>MOVEMENT IN WORKING CAPITAL</b>		
Decrease/(Increase) In Trade Receivables	(337.63)	238.33
Decrease/(Increase) In Inventories	(0.17)	0.65
Decrease/(Increase) In Other Current and Non-Current Assets	6.76	(6.03)
Decrease/(Increase) In Other Current Financial Assets	(66.67)	(42.85)
(Decrease)/Increase In Other Current and Non-Current Liabilities	69.91	(87.56)
(Decrease)/Increase In Other Current Financial and Non-Financial Liabilities	379.71	36.86
Cash Flow From Operating Activities		
<b>Post Working Capital Changes</b>	<b>1,343.97</b>	<b>1,040.44</b>
Income Tax Paid (Net)	(307.15)	(460.86)
<b>Net Cash Flow From Operating Activities (A)</b>	<b>1,036.82</b>	<b>579.58</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plants, Equipments and Intangible Assets (Net)	(0.27)	(8.05)
Fixed Deposit placed with banks having original maturity of more than three months	(6,832.20)	(6,286.00)
Fixed Deposit with banks matured having original maturity of more than three months	6,246.21	6,483.86
Interest Received	370.60	418.69
<b>Net Cash Flows Used In Investing Activities (B)</b>	<b>(215.66)</b>	<b>608.50</b>

**PARTICULARS**
**31 March 2023**
**31 March 2022**
**C. CASH FLOWS FROM FINANCING ACTIVITIES**

Dividend Paid	(774.00)	(963.00)
Interest Paid	-	(4.07)
Payment of Lease Liabilities	(39.44)	(27.28)
<b>Net Cash Used In Financing Activities (C)</b>	<b>(813.44)</b>	<b>(994.35)</b>
<b>Increase In Cash And Cash Equivalents (A+B+C)</b>	<b>7.73</b>	<b>193.73</b>
Cash And Cash Equivalents At The Begining of The Year	315.91	122.18
<b>Cash And Cash Equivalents At The End of The Year</b>	<b>323.64</b>	<b>315.91</b>

This is the cash flow statement as referred to in our report of even date.

For and on behalf of Certification Engineers International Limited

**For Goyal Parul & Co.**  
Chartered Accountants  
Firm Regn. No. 016750N

**CA SANCHIT AGRAWAL**  
Partner  
Membership No. 435163  
UDIN : 23435163BGTTP3949

**( J. TOTLANI )**  
Company Secretary  
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Chief Executive Officer  
PAN : AAPPR0496J

**(SANJAY JINDAL)**  
Director  
DIN : 09223617

**(VARTIKA SHUKLA)**  
Chairman  
DIN : 08777885

**Place : New Delhi**  
**Date : May 23, 2023**

# SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

## 1. NATURE OF PRINCIPAL ACTIVITIES

Certification Engineers International Limited and (referred to as “CEIL” or “the Company”) is a Government of India Enterprise a wholly owned subsidiary Company of Engineers India Limited. The Company undertakes certification, recertification, third party inspection, safety audits for offshore and onshore oil and gas facilities and other quality sensitive sectors of the industry. The Company is domiciled in India has its registered office situated at 1 Bhikaji Cama Place, New Delhi 110066.

## 2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

The financial statements of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 ('Ind AS') issued by Ministry of Corporate Affairs ('MCA'). The company has uniformly applied the accounting policies during the period presented.

The financial statements for the year ended 31<sup>st</sup> March 2023 were authorized and approved for issue by the Board of Directors on 23<sup>rd</sup> May'2023.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. ACCOUNTING CONCEPTS

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. The accounts are prepared on historical cost concept based on accrual method of accounting as a going concern.

### B. REVENUE RECOGNITION

#### REVENUE RECOGNITION

**Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration which the company expects to receive in exchange for those services. The services performed by the company fall into the criteria of the transfer of control over a period of time and as such company satisfy the performance obligation and revenue over a period of time.**

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable considerations, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Arrangements with customers are either on a cost plus/ rate basis jobs, lump sum contracts and percentage fee contracts.

#### Revenue from services is accounted as follows:

- In the case of cost plus/rate basis jobs, on the basis of amount billable under the contracts
- In the case of lump-sum contracts, as proportion of actual direct costs of the work performed to latest estimated total direct cost of the work performed i.e. percentage completion method.
- In case of contracts providing for a percentage fees on equipment/material value/project cost, on the basis of physical progress as certified up to the closing date of accounting year

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract 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 standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Other claims including interest on outstanding are accounted for when there is probability of ultimate collection.

#### WORK-IN-PROGRESS

- a) Cost of jobs are carried forward as Work-in-Progress for which:
  - i. The terms of remuneration receivable by the company have not been settled and/or scope of work has not been clearly defined and therefore, it is not possible in the absence of settled terms to determine whether there is a profit/(loss) on such jobs. However, in cases where minimum undisputed terms have been agreed to by the clients, income has been accounted for on the basis of such undisputed terms though the final terms are still to be settled.
  - ii. The terms have been agreed to at lump sum basis but the physical progress is less than 25% of the job.
- b) Work-in-Progress is valued at direct cost

## C. INTANGIBLE ASSETS

### Recognition

Intangible assets (softwares) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

### SUBSEQUENT MEASUREMENT (AMORTISATION)

The cost of capitalized software is amortized over a period of three years from the date of its acquisition.

## D. PROPERTY, PLANT AND EQUIPMENT

### Recognition

Properties plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. The cost of any software purchased initially along with the computer hardware is being capitalized along with the cost of the hardware. Any subsequent acquisition/up-gradation of software is being capitalized as an intangible asset.

Whenever any new office space is acquired and partitions/fixtures and fittings are provided to make it suitable for use, the expenditure on the same is capitalized and depreciation is charged.

Whenever significant parts of the property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

### Subsequent Measurement (depreciation)

Depreciation on property, plant and equipment is charged on straight line method either on the basis of rates arrived at with reference to the useful life of the assets evaluated by the Committee consisting of Technical experts and approved by the Management or rates arrived at based on useful life prescribed under Part C of Schedule II of the Companies Act, 2013, whichever is higher.

Premium paid on leasehold property where lease agreements have been executed for specified period are written off over the period of lease proportionately.

100% depreciation is provided on library books in the year of purchase.

Property, plant and equipment individually costing less than INR 5,000 are fully depreciated in the year of acquisition.

The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss when the asset is derecognised.

## E. FOREIGN CURRENCY

### Functional and presentation currency

The financial statements are presented in INR, which is also the functional currency of the Company.

### Foreign currency transactions and balances

#### Initial Recognition

Foreign currency transactions are accounted for at average monthly rates based on market rates for preceding month.

#### Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

#### Exchange Differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

## F. IMPAIRMENT OF NON-FINANCIAL ASSETS

Impairment of cash generating assets are reviewed for impairment whenever an event or changes in circumstances indicate that carrying amount of such assets may not be recoverable. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of assets. If it is found that some of the impairment losses already recognized needs to be reversed the same are recognized in the statement of Profit & Loss Account in the year of reversal.

## G. FINANCIAL INSTRUMENTS

### Financial Assets

#### Initial recognition and measurement

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

#### Subsequent measurement

i. **Debt instruments at amortised cost**—A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

ii. **Mutual funds**—All mutual funds in scope of 'Ind AS 109 Financial Instruments' ('Ind AS 109') are measured at fair value through profit and loss (FVTPL).

### De-recognition of financial assets

A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset

### Financial liabilities

#### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

#### Subsequent measurement

Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method. This category generally applies to long-term payables and deposits.

### De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## H. IMPAIRMENT OF FINANCIAL ASSETS

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

### Trade receivables

As a practical expedient the Company has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on historical default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed. Further receivables are segmented for this analysis where the credit risk characteristics of the receivable are similar.

### Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.



## **I. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

The provision for estimated liabilities on account of guarantees and warranties etc. in respect of lump sum services and turnkey contracts awarded to the Company are being made on the basis of management's assessment of risk and consequential probable liabilities on each such jobs.

Provisions are discounted to their present values, where the time value of money is material.

Contingent liabilities are disclosed by way of note unless the possibility of outflow is remote. Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable. However, when realization of income is virtually certain, related asset is recognized.

## **J. INVENTORIES**

Inventories in respect of stores, spares and chemicals etc. are valued at lower of cost and net realizable value

Cost includes the cost of purchase (discounted to their present values, if the time value of money is material) and other cost incurred in bringing the inventories to their present location and condition. Cost is determined on "First In, First Out" basis

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## **K. INCOME TAXES**

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period. Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

## **L. CASH AND CASH EQUIVALENTS**

Cash comprises cash on hand and demand deposits i.e. balances held with banks in current accounts for unrestrictive use. Cash equivalents are short term, highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Company considers unrestrictive time deposits with banks having an original maturity of three months or less as cash equivalent.

## **M. POST-EMPLOYMENT BENEFITS AND SHORT TERM EMPLOYEE BENEFITS**

### **Defined Benefit Plans**

Under the defined benefit plans, the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies. Defined benefit plans include gratuity, post-retirement medical benefit and other retirement benefit plans.

The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets.

Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/ losses resulting from re-measurements of the liability /asset are included in other comprehensive income.

### **Other Long-term Benefits**

The liabilities for leave (earned and Half Pay Leave) are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. The liability is recognised in the statement of financial position basis the present value of expected future payments to be made in respect of services provided by employees upto the end of reporting period (using the projected unit credit method) less the fair value of plan assets.

Liability in respect of long-service awards is recognised in the statement of financial position basis the present value of expected future payments to be made in respect of services provided by employees upto the end of reporting period (using the projected unit credit method).

#### **Short-term Employee Benefits**

Short term benefits comprise of employee costs such as salaries, bonus etc. accrued in the year in which the associated service are rendered by employees.

#### **Defined Contribution Plans**

Contributions with respect to provident fund & National Pension System (NPS), defined contribution plans, are deposited to Regional Provident Fund Commissioner & Stock Holding Corporation India Ltd (POP). The Company's contributions to these plans are recognised as expense in Statement of Profit and Loss.

#### **Other Benefits**

Voluntary retirement expenses are charged to statement of profit and loss in the year of its incurrence.

### **N. LEASES**

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

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. 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 term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonable certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term or useful life of the underlying asset except for perpetual lease. Right of use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

#### **Company As A Lessor**

##### **Operating Lease**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets leased out under operating leases are capitalized.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub lease separately. The sublease is classified as a finance lease or operating lease by reference to the right of use asset arising from the head lease.

Rental income is recognized on straight line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

### **O. RECENT ACCOUNTING PRONOUNCEMENT**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

**Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The company does not expect any significant impact of the amendment on its financial statements.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial

statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The company does not expect any significant impact of the amendment on its financial statements.

**Ind AS 12 - Income Taxes** – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transaction that give rise to equal and offsetting temporary difference. The effective date of adoption of this amendment is annual period beginning on or after April 1, 2023. The company is evaluating the impact, if any, in its financial statements.

#### **P. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **Q. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY**

##### *Significant management judgements*

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

**Revenue-** For Lump-sum Contracts the Company recognises revenue using the percentage completion method. Use of the percentage completion method requires the company to estimate the cost incurred relative to total expected cost to the satisfaction of performance obligation. This requires estimates to be made of the outcomes of long-term contracts, which require assessments and judgements to be made on changes in work scopes, balance efforts, cost and time to complete the contract including probability of levy for liquidated damages and price reduction for delay to the extent they are probable and they are capable of being reliably measured. Cost and time incurred have been used to measure progress towards completion as there is a direct relationship between input and satisfaction of performance obligation.

**Recognition of deferred tax assets-** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

##### *Estimation uncertainty*

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

**Recoverability of advances/receivables-** At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**Defined benefit obligation (DBO)-** Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Provisions** – At each balance sheet date, based on the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However the actual future outcome may be different from this judgement.

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## NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31 March 2023

### Note - 4

#### Property, Plant And Equipment

(₹ In Lakhs)

Particulars	Vehicles	Office Equipments	Air Conditioner	Computer Hardware	Furniture And Fixtures	Library Books	Total
<b>Gross carrying amount</b>							
<b>Balance as at 31 March 2021</b>	3.24	8.55	7.62	59.40	26.97	0.46	<b>106.24</b>
Additions	-	2.12	1.10	2.63	0.99	-	<b>6.85</b>
Disposals/assets written off	-	-	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>3.24</b>	<b>10.68</b>	<b>8.72</b>	<b>62.03</b>	<b>27.96</b>	<b>0.46</b>	<b>113.09</b>
Additions	-	0.27	-	-	-	-	<b>0.27</b>
Disposals/assets written off	-	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>3.24</b>	<b>10.94</b>	<b>8.72</b>	<b>62.03</b>	<b>27.96</b>	<b>0.46</b>	<b>113.36</b>
<b>Accumulated Depreciation</b>							
<b>Balance as at 31 March 2021</b>	<b>3.03</b>	<b>6.27</b>	<b>5.87</b>	<b>39.00</b>	<b>19.29</b>	<b>0.46</b>	<b>73.92</b>
Charge For The Year	-	0.88	0.16	11.14	1.57	-	<b>13.75</b>
Adjustments For Disposals	-	-	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>3.03</b>	<b>7.15</b>	<b>6.03</b>	<b>50.14</b>	<b>20.86</b>	<b>0.46</b>	<b>87.67</b>
Charge For The Year	-	0.96	0.31	5.71	0.88	-	<b>7.86</b>
Adjustments For Disposals	-	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>3.03</b>	<b>8.11</b>	<b>6.34</b>	<b>55.85</b>	<b>21.74</b>	<b>0.46</b>	<b>95.53</b>
<b>Net Book Value as at 31 March 2022</b>	<b>0.21</b>	<b>3.53</b>	<b>2.69</b>	<b>11.89</b>	<b>7.10</b>	<b>0.00</b>	<b>25.42</b>
<b>Net Book Value as at 31 March 2023</b>	<b>0.21</b>	<b>2.83</b>	<b>2.38</b>	<b>6.18</b>	<b>6.23</b>	<b>0.00</b>	<b>17.83</b>

#### Contractual obligations

Refer to note 35(ii) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

# CERTIFICATION ENGINEERS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31 March 2023

### Note - 4 A

#### RIGHT OF USE ASSETS

##### Leases :- Company as a lessee

The Company's lease assets primarily consist of leases of office premises/residential premises.. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases.

(₹ In Lakhs)

Particulars	Leasehold Property		Computer Hardware	Total
	Office*	Site Transit Accomodations		
Balance as at 31 March 2021	178.84	34.17	-	213.01
Additions	-	44.70	3.22	47.92
Depreciation	(3.87)	(25.12)	(0.28)	(29.27)
Balance as at 31 March 2022	174.97	53.75	2.94	231.66
Additions	-	8.94	-	8.94
Depreciation	(3.87)	(34.63)	(1.07)	(39.58)
Balance as at 31 March 2023	171.10	28.06	1.87	201.02

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

\*Acquired from CIDCO Limited on 60 years lease basis.

#### The following is the break-up of current and non-current lease liabilities:

(₹ In Lakhs)

Particulars	31 March 2023	31 March 2022
Current lease liabilities	24.32	34.57
Non-Current lease liabilities	7.38	24.45
Total	31.69	59.02

#### The following is the movement in lease liabilities:

(₹ In Lakhs)

Particulars	31 March 2023	31 March 2022
Balance at the beginning	59.02	34.48
Additions	8.94	47.92
Finance cost accrued during the year	3.17	3.90
Payment of lease liabilities	39.44	27.28
Balance at the end	31.69	59.02

The detail regarding the contractual maturities of lease liabilities on undiscounted basis is as follows: (₹ In Lakhs)

Particulars	31 March 2023	31 March 2022
Less than one year	25.09	37.58
One year to two years	5.77	18.28
More than two years	1.99	7.60
<b>Total</b>	<b>32.85</b>	<b>63.46</b>

The Company does not face a significantly liquidity risk with regard to its lease liabilities as the current assets (including cash and bank balances) are sufficient to meet the obligations related to lease liabilities as and when they fall due.

During the year Company recognised as operating expenses of ₹11.13 Lakhs ( previous year ₹77.21 Lakhs) towards short term leases for certain office, and residential premises.

Particulars	Discount rate	
	31 March 2023	31 March 2022
Quarter 1	7.05%	7.05%
Quarter 2	7.45%	7.05%
Quarter 3	7.45%	7.05%
Quarter 4	8.40%	7.05%



# CERTIFICATION ENGINEERS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 March 2023

### Note - 5

Other Intangible Assets

(₹ In Lakhs)

Particulars	Computer Software	Total
Gross carrying amount		
<b>Balance as at 31 March 2021</b>	<b>5.38</b>	<b>5.38</b>
Additions	1.20	1.20
Disposals/Assets Written Off	-	-
Balance as at 31 March 2022	6.58	6.58
Additions	-	-
Disposals/Assets Written Off	-	-
<b>Balance as at 31 March 2023</b>	<b>6.58</b>	<b>6.58</b>
Accumulated amortisation		
<b>Balance as at 31 March 2021</b>	<b>4.07</b>	<b>4.07</b>
Amortisation Charge For The Year	0.77	0.77
Adjustments For Disposals	-	-
<b>Balance as at 31 March 2022</b>	<b>4.84</b>	<b>4.84</b>
Amortisation Charge For The Year	0.83	0.83
Adjustments For Disposals	-	-
<b>Balance as at 31 March 2023</b>	<b>5.67</b>	<b>5.67</b>
<b>Net Book Value as at 31 March 2022</b>	<b>1.74</b>	<b>1.74</b>
<b>Net Book Value as at 31 March 2023</b>	<b>0.91</b>	<b>0.91</b>

# CERTIFICATION ENGINEERS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

(₹ In Lakhs)

for the Year Ended 31 March 2023

### PARTICULARS

31 March 2023

31 March 2022

#### Note - 6

##### A Other Financial Assets - Non-Current

Security Deposit	3.13	20.15
	<b>3.13</b>	<b>20.15</b>

\*Includes bank deposits held under lien against bank guarantees of ₹ 0.00 Lakhs (previous year 31 March 2022 : ₹ 0.00 Lakhs)

##### B Other Financial Assets - Current

Unsecured, Considered Good Unless Otherwise Stated

Security Deposit	342.36	389.89
Unbilled Income	750.81	627.16
	<b>1,093.17</b>	<b>1,017.05</b>

#### Note - 7

##### Deferred Tax Assets (Net)

##### Deferred Tax Assets Arising On:

Employee Benefits:

Provision for leave encashment	210.89	209.93
Provision for long service awards	6.63	6.34
Provision for doubtful receivables and advances	125.28	77.15
Provision for Foreseeable Losses	5.37	-

Others:

Amortised cost financial instruments	(5.25)	0.35
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##### Deferred Tax Liabilities Arising On:

Depreciation	(18.03)	(26.45)
Provision for gratuity	(3.89)	(3.23)
	<b>321.00</b>	<b>264.09</b>

##### Movement In Deferred Tax Assets And Liabilities

(₹ In Lakhs)

Particulars	31 Mar 2021	Recognised In Other Comprehensive Income	Recognised In Statement of Profit and Loss	31 Mar 2022	Recognised In Other Comprehensive Income	Recognised In Statement of Profit And Loss	31 Mar 2023
<b>Assets</b>							
Employee Benefits	174.01	(4.91)	47.17	216.27	-	1.25	217.52
Trade Receivables & Advances	105.94	-	(28.79)	77.15	-	48.13	125.28
	0.03	-	0.32	0.35	-	(5.60)	(5.25)
Provision for Foreseeable Losses	-	-	-	-	-	5.37	5.37
<b>Liabilities</b>							
Depreciation	(26.24)	-	(0.21)	(26.45)		8.42	(18.03)
Employee Benefits	(0.55)	-	(2.68)	(3.23)	-	(0.66)	(3.89)
	<b>253.19</b>	<b>(4.91)</b>	<b>15.81</b>	<b>264.09</b>	<b>-</b>	<b>56.91</b>	<b>321.00</b>

## PPARTICULARS

31 March 2023

31 March 2022

### Note - 8

#### Non-Current Tax Assets (Net)

Advance Income Tax (net of provision for taxation amounting to ₹ 2128.50 Lakhs) (previous year 31 March 2022 : ₹ 1924.28 Lakhs ) (Refer note 50)

Advance Fringe Benefit Tax

Less: Allowance for expected credit losses

144.34

250.73

11.83

11.83

(11.83)

(11.83)

**144.34**

**250.73**

### Note - 9

#### A Other Non-Current Assets

##### Unsecured, Considered Good Unless Otherwise Stated

Prepaid Expenses

1.91

1.15

**1.91**

**1.15**

#### B Other Current Assets

##### Unsecured, Considered Good Unless Otherwise Stated

Balance With Government Authorities

13.73

34.98

Prepaid Expense

8.58

8.81

Advances to employees

21.41

20.93

Advances to Vendors /Others

31.59

9.62

##### Unsecured, Considered Doubtful

Balance With Government Authorities

Less: Allowance for expected credit losses

(7.45)

-

**67.86**

**74.34**

### Note - 10

Inventories (Lower of Cost Or Net Realizable Value)

Stores, Spares And Chemicals In Hand

6.02

5.85

**6.02**

**5.85**

### Note - 11

#### Trade Receivables

Trade Receivable (Unsecured)

Considered Good

Considered Doubtful ( Credit Impaired)

Less: Allowance for expected credit losses

1,662.21

1,527.64

497.77

294.71

2,159.98

1,822.35

(497.77)

(294.71)

**1,662.21**

**1,527.64**

**Trade Receivables ageing schedule for the year ended as on March 31,2023 and March 31,2022 :-(₹ In Lakhs)****March 31,2023**

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of Payment					Total
	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 years	
i) Undisputed Trade Receivables - considered good	1,255.81	160.73	187.62	58.06	-	1,662.21
ii) Undisputed Trade Receivables - credit impaired	62.93	29.86	77.68	34.84	292.47	497.77
iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-
iv) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>1,318.74</b>	<b>190.59</b>	<b>265.29</b>	<b>92.89</b>	<b>292.47</b>	<b>2,159.98</b>
Less : Allowance for expected credit losses						(497.77)
<b>Total</b>						<b>1,662.21</b>

**March 31,2022**

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of Payment					Total
	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 years	
i) Undisputed Trade Receivables - considered good	1,116.26	191.27	61.82	158.29	-	1,527.64
ii) Undisputed Trade Receivables - credit impaired	23.16	12.25	24.29	17.67	217.34	294.71
iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-
iv) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>1,139.42</b>	<b>203.52</b>	<b>86.11</b>	<b>175.96</b>	<b>217.34</b>	<b>1,822.35</b>
Less : Allowance for expected credit losses						(294.71)
<b>Total</b>						<b>1,527.64</b>

**Note - 12****Cash and Cash Equivalents**

Balances With Banks In Current Account	98.64	275.91
Bank Deposits having maturity of less than three months	225.00	40.00
Cash On Hand	-	-
	<b>323.64</b>	<b>315.91</b>

**Note - 13****Other Bank Balances**

Balances with banks in deposits account having maturity of more than three months but are due for maturity within twelve months\*

	6,521.09	5,934.42
Unspent CSR Account - Ongoing projects	16.08	17.12
	<b>6,537.17</b>	<b>5,951.54</b>

\*Includes ₹ Nil ( previous year 31 March 2022 : ₹ 0.00 Lakhs) held under lien against bank guarantees.

\*Includes interest accrued on bank deposits ₹ 209.88 lakhs (previous year 31 March 2022 : ₹ 209.20 lakhs )

## Note - 14

### Equity Share Capital

#### Authorised Share Capital

1,200,000 (previous year 31 March 2022 : 1200,000)  
equity shares of par value of ₹ 100 each

#### Issued Share Capital

900,000 (previous year 31 March 2022 : 900,000)  
equity shares of par value of ₹ 100 each

#### Subscribed And Paid Up\*

900,000 (previous year 31 March 2022 : 900,000)  
equity shares of par value of ₹ 100 each

\*All shares are held by Holding Company- Engineers India Ltd. and its Nominees

#### a) Reconciliation of shares outstanding at the beginning and at the end of the year

##### Equity Shares

Shares Outstanding At The Beginning of The Year  
Add : Bonus Shares Issued During The Year  
Shares Outstanding At The End of The Year

	31 March 2023	31 March 2022
	Amount	Amount
	1,200.00	1,200.00
	<b>1,200.00</b>	<b>1,200.00</b>
	900.00	900.00
	<b>900.00</b>	<b>900.00</b>
	900.00	900.00
	<b>900.00</b>	<b>900.00</b>

#### b) Details Of Shareholders Holding More Than 5% Equity Shares In The Company

##### Name Of Shareholders

Engineers India Limited  
Shareholding (%)

	Number	Number
Shares Outstanding At The Beginning of The Year	900,000	900,000
Add : Bonus Shares Issued During The Year	-	-
Shares Outstanding At The End of The Year	<b>900,000</b>	<b>900,000</b>
	Number	Number
Engineers India Limited	900,000	900,000
Shareholding (%)	100%	100%

#### c) Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2023 is as follows :-

Promoter name	As At 31 March 2023		As At 31 March 2022		
	No. of shares	% of total shares	No. of shares	% of total shares	% Change during the year
Engineers India Limited	900,000	100%	900,000	100%	-

Disclosure of shareholding of promoters as at March 31, 2022 is as follows :-

Promoter name	As At 31 March 2022		As At 31 March 2021		
	No. of shares	% of total shares	No. of shares	% of total shares	% Change during the year
Engineers India Limited	900,000	100%	900,000	100%	-

**Note - 15****Other Equity****Nature And Purpose of Other Reserves****CSR Activity Reserve**

The Company is required to create the CSR activity reserve for the allocation of expenses in respect of CSR activities. CSR Activity Reserve represents unspent amount, out of amounts set aside of profit earned in the past years for meeting social obligations as per Department of Public Enterprise guidelines for Corporate Social Responsibility upto F.Y 2013-14 & provision of Companies Act, 2013 and rules made thereunder from F.Y 2014-15 onwards.

**General Reserve**

The Company is required to create a general reserve out of the profits when the Company declares dividend to shareholders.

**Other Comprehensive Income**

Other comprehensive income represents balance arising on account of re-measurement of defined benefit plans.

**Note - 16****31 March 2023****31 March 2022****Other Financial Liabilities - Non-Current****A Security Deposits And Retentions**

0.16

0.15

**0.16****0.15****B Other Financial Liabilities - Current**

Security Deposits And Retentions

70.58

61.40

Accrued Employee Benefits

221.47

165.99

**292.05****227.39****Note - 17****A Other Non-Current Liabilities**

Deferred Income

-

0.02

-

**0.02****B Other Current Liabilities**

Advances Received From Clients

145.22

98.00

Deferred Income

0.58

0.96

Unearned Income Billed To Clients

11.97

26.72

Service Tax /GST Payable

80.79

45.68

Withholding For Income Taxes

43.96

49.67

Withholding For Employees Including Employers Contribution

34.40

27.86

Other Liabilities

55.36

53.46

**372.28****302.35****Note - 18****A Long-Term Provisions**

Employees' Post Retirement/Long-Term Benefits

807.83

761.06

**807.83****761.06****B Short-Term Provisions**

Employees' Post Retirement/Long-Term Benefits

114.70

85.42

Provision for corporate social responsibility

0.08

25.32

Provision for Expected Losses

21.33

-

**136.11****110.74****Note - 19****Trade Payables**

Total outstanding dues of Micro Enterprises and Small Enterprises  
(Refer Note 43)

1.72

59.62

Total outstanding dues of creditors other than Micro Enterprises and  
Small Enterprises

568.49

195.55

**570.21****255.17**



**Trade Payables ageing schedule for the year ended as on March 31,2023 and March 31,2022 :-**

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of Payment					Total
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
i) MSME	1.72	-	-			<b>1.72</b>
ii) Others	528.36	33.07	2.59	0.52	3.96	<b>568.49</b>
iii) Disputed Dues- MSME			-			
iv) Disputed Dues- Others	-	-	-	-	-	-
<b>Grand Total</b>	<b>530.08</b>	<b>33.07</b>	<b>2.59</b>	<b>0.52</b>	<b>3.96</b>	<b>570.21</b>

**March 31,2022**

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of Payment					Total
	Not Due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
i) MSME	59.62					59.62
ii) Others	187.55	1.06	0.05	2.40	4.49	195.55
iii) Disputed Dues- MSME			-			
iv) Disputed Dues- Others	-	-	-	-	-	-
<b>Grand Total</b>	<b>247.17</b>	<b>1.06</b>	<b>0.05</b>	<b>2.40</b>	<b>4.49</b>	<b>255.17</b>

**Note - 20**

Current Tax Liabilities (Net)

Provision for taxation (net of advance tax

amounting to ₹ 372.33 Lakhs (previous year 31

March 2022 : ₹ 281.02 Lakhs)

25.76	41.21
<b>25.76</b>	<b>41.21</b>

**Note - 21**

**Revenue From Operations\***

Income From Services

4,784.90	4,632.32
<b>4,784.90</b>	<b>4,632.32</b>

**Increase/(Decrease) In Work-In-Progress**

Closing Work-In-Progress

Less : Opening Work-In-Progress

-	-
-	7.82
-	(7.82)
<b>4,784.90</b>	<b>4,624.50</b>

\*Excludes Goods and Services Tax (GST)

**Note - 22**

**Other Income**

Interest Income

Bank Deposits

Income-Tax Refunds

Financial Assets carried at amortised cost

Others - Misc

Amortization of Deferred Income

344.42	353.80
9.60	-
26.86	9.60
1.41	0.08
1.12	2.66
<b>383.41</b>	<b>366.14</b>

**Note - 23****Manpower Services**

Manpower Services

**31 March 2023****31 March 2022**

838.09

836.70

**838.09****836.70****Note - 24****Employee Benefits Expenses**

Salaries And Allowances

1,627.94

1,824.03

Contribution towards employees pension and provident fund and administration charges thereon

116.71

119.06

Contribution towards National Pension System (NPS) and administration charges thereon

80.57

74.80

Staff Welfare

9.71

4.06

Contribution to Gratuity Fund

5.84

9.70

(Net of contribution received from others)\*\*

**1,840.77****2,031.65**

\*\*Includes Term Insurance Premium paid to LIC of India.

**Note - 25****Finance Cost**

Interest on shortfall in payment of Income Tax

-

4.07

Unwinding of Discount on Security Deposits

2.83

2.57

Interest on Lease Liabilities

3.17

3.90

**6.00****10.54****Note - 26****Depreciation And Amortisation Expenses**

Depreciation On Property, Plant And Equipment

7.86

13.75

Depreciation On Right of use assets

39.58

29.27

Amortisation Of Intangible Assets

0.83

0.77

**48.27****43.79****Note - 27****Other Expenses****A Facilities Cost**

Rent - Residential Accommodation (Net of Recovery of

₹ 1.73 lakhs (previous year: ₹ 2.02 lakhs)

21.53

22.95

Rent-Office, Guesthouse and Transit Flats

29.04

63.34

Electricity And Water

66.35

31.81

Repairs and Maintenance - Building

52.22

2.56

Other Repairs And Maintenance

79.62

76.74

Hire Charges - Office Equipment

1.27

2.06

Insurance

4.40

6.75

**254.43****206.21****B Corporate Cost**

Bank Charges

1.45

1.05

Sitting Fees To Independent Directors

1.20

1.65

Advertisement for tender and recruitment

4.68

2.90

Entertainment

6.74

6.11

Remuneration to Auditors:

For Audit

3.90

3.90

For Tax Audit

0.60

0.60

Certification

0.17

0.11

Out of Pocket ( ₹ 1.90 lacs (P.Y. 0.00) belongs to previous auditors

2.10

-

Filing Fee	0.32	0.04
Foreign Exchange Difference (Net)	(0.01)	0.97
Legal And Professional Charges	13.98	11.15
Licences And Taxes	36.03	31.74
	<b>71.16</b>	<b>60.22</b>
<b>C Other Cost</b>		
Travel And Conveyance	503.57	617.27
Printing, Stationery And General Office Supplies	9.76	7.17
Newspapers And Periodicals	0.13	-
Postage And Telecommunications	20.08	18.78
Courier, Transportation And Handling	1.87	1.95
Allowance for expected credit losses - trade receivables and advances (net)	210.51	(114.40)
Provision for Expected Losses	21.33	-
Amounts Written Off	-	38.95
Corporate Social Responsibility Expenditure (Refer note 48)	14.34	84.56
Miscellaneous Expenses	3.78	18.01
Training Expenses	2.69	4.08
	<b>788.06</b>	<b>676.37</b>

## Note - 28

### Income Tax

#### Tax Expense Comprises of:

Current Income Tax	396.18	322.22
Earlier years tax adjustments (net)	-	7.47
Deferred Tax	(56.91)	(15.81)
Income Tax Expense Reported In The Statement Of Profit Or Loss	<b>3391.27</b>	<b>313.88</b>

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.168% and the reported tax expense in profit or loss are as follows:

#### Statement of Profit And Loss

Accounting Profit Before Tax	1,321.54	1,125.16
<b>Accounting Profit Before Income Tax</b>	<b>1,321.54</b>	<b>1,125.16</b>
At India's Statutory Income Tax Rate of 25.168 % (31 March 2022 : 25.168%)	332.60	283.18
Adjustments in Respect of Current Income Tax		
Tax Impact of Expenses Which Will Never Be Allowed	3.61	23.20
Earlier Years tax adjustments (net)	-	7.47
Others	3.06	0.03
	<b>339.27</b>	<b>313.88</b>

The provision for current income-tax has been worked out taking into consideration the provisions of Income Computation and Disclosure Standards notified by Central Board of Direct Taxes vide Notification No. 87/2016 dated September 29, 2016.

## Note - 29

### Earnings Per Share (EPS)

Earnings per share ('EPS') is determined based on the net profit attributable to the shareholders' of the Company. Basic earnings per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive.

Profit Attributable To Equity Shareholders  
Weighted Average Number Of Equity Shares  
**Nominal Value Per Share (₹)**

31 March 2023	31 March 2022
982.27	811.28
900,000	900,000
<b>100.00</b>	<b>100.00</b>

#### Earnings Per Equity Share

Basic ( In Rupees)	109.14	90.14
Diluted ( In Rupees)	109.14	90.14

#### Note - 30

#### Financial asset - fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statement are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

**Level 3:** Unobservable inputs for the asset or liability.

#### Note - 31

#### Financial instruments

#### (I) Financial instruments by category

(₹ In Lakhs)

Particulars	March 31,2023		March 31,2022	
	FVTPL	Amortised Cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Trade receivables	-	1,662.21	-	1,527.64
Other financial assets	-	1,096.31	-	1,037.20
Cash and cash equivalents	-	323.64	-	315.91
Other bank balances	-	6,537.17	-	5,951.54
Security deposits	-	-	-	-
<b>Total financial assets</b>	-	<b>9,619.33</b>	-	<b>8,832.29</b>
<b>Financial liabilities</b>				
Trade payables	-	570.21	-	255.17
Security deposits and retentions	-	70.74	-	61.55
Other financial liabilities	-	221.47	-	165.99
Lease Liabilities	-	31.69	-	59.02
<b>Total financial liabilities</b>	-	<b>894.11</b>	-	<b>541.73</b>

#### (ii) Financial instruments measured at amortised cost

For amortised cost instruments, carrying value represents the best estimate of fair value except for long-term financial assets.

#### (iii) Risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the

sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

**(A) Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**a) Credit risk management**

**i) Credit risk rating**

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

The Company provides for expected credit loss based on the following:

Asset Group	Basis Of Categorisation	Provision for Expected Credit Loss
Low credit risk	Cash and cash equivalents, other bank balances and other financial assets	12 month expected credit loss and Life time expected credit loss
Moderate credit risk	Trade receivables	Life time expected credit loss
High credit risk	Trade receivables	Life time expected credit loss or fully provided for

In respect of trade receivables, the company recognises a provision for lifetime expected credit loss.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

(₹ in Lakhs)

Credit Rating	Particulars	31 March 2023	31 March 2022
A: Low credit risk	Cash and cash equivalents, other bank balances and other financial assets	9,121.56	8,537.58
B: Moderate credit risk	Trade receivables	205.30	77.37
C: High credit risk	Trade receivables	292.47	217.34

**ii) Concentration of trade receivables**

The Company's exposure to credit risk for trade receivables is as follows -

Particulars	31 March 2023	31 March 2022
Hydrocarbon	734.06	779.00
Infrastructure	957.78	759.70
Railways	298.30	170.40
Others	169.84	113.25
<b>Total</b>	<b>2,159.98</b>	<b>1,822.35</b>

**b) Credit risk exposure****(i) Provision for expected credit losses**

The Company provides for 12 month expected credit losses for following financial assets –

**31 March 2023**

(₹ In Lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	323.64	-	323.64
Other bank balances	6,537.17	-	5,951.54
Other financial assets	1,096.31	-	1,096.31

**31 March 2022**

(₹ In Lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	315.91	-	315.91
Other bank balances	5,951.54	-	5,951.54
Other financial assets	1,037.20	-	1,037.20

**ii) Expected credit loss for trade receivables under simplified approach****31 March 2023**

(₹ In Lakhs)

Particulars	0 - 90 Days	90 - 180 Days	180 - 270 Days	270 - 360 Days	360 - 450 Days	450 - 540 Days
Gross carrying value	997.07	321.67	87.75	102.84	73.84	50.48
Expected credit loss (provision)	57.92	5.01	9.41	20.45	12.42	11.53
Carrying amount (net of impairment)	939.15	316.66	78.35	82.38	61.42	38.96

Particulars	540 - 630 Days	630 - 720 Days	720 - 1095 Days	>1095 Days
Gross carrying value	101.87	39.10	92.89	292.47
Expected credit loss (provision)	29.20	24.53	34.84	292.47
Carrying amount (net of impairment)	72.67	14.57	58.06	-



31 March 2022

(₹ In Lakhs)

Particulars	0 - 90 Days	90 - 180 Days	180 - 270 Days	270 - 360 Days	360 - 450 Days	450 - 540 Days
Gross carrying value	1,046.40	93.02	162.33	41.19	29.78	23.63
Expected credit loss (provision)	19.93	3.23	1.57	10.68	10.43	9.88
Carrying amount (net of impairment)	1,026.47	89.79	160.76	30.51	19.35	13.75

Particulars	540 - 630 Days	630 - 720 Days	720 - 1095 Days	>1095 Days
Loss carrying value	31.27	1.43	175.96	217.34
Expected credit loss (provision)	3.37	0.61	17.67	217.34
Carrying amount (net of impairment)	27.90	0.82	158.29	-

#### Reconciliation of loss provision – lifetime expected credit losses

Reconciliation of loss allowance	Trade receivables
Loss allowance on 31 March 2021	409.11
Impairment loss recognised/reversed during the year	(114.40)
Loss allowance on 31 March 2022	294.71
Impairment loss recognised/reversed during the year	203.06
Loss allowance on 31 March 2023	497.77

#### (B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

#### Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

(₹ In Lakhs)

31 March 2023	Less than 1 year	1 - 2 years	2 - 3 years	Total
<b>Non-derivatives</b>				
Trade payable	530.08	-	-	530.08
Security deposits and retentions	70.58	0.16	-	70.74
Other financial liabilities	221.47	-	-	221.47
Lease Liabilities	24.32	5.42	1.96	31.69
<b>Total</b>	<b>846.45</b>	<b>5.58</b>	<b>1.96</b>	<b>853.98</b>

(₹ In Lakhs)

31 March 2022	Less than 1 year	1 - 2 years	2 - 3 years	Total
<b>Non-derivatives</b>				
Trade payable	255.17	-	-	255.17
Security deposits and retentions	61.40	0.15	-	61.55
Other financial liabilities	165.99	-	-	165.99
Lease Liabilities	34.57	24.45	-	59.02
<b>Total</b>	<b>517.13</b>	<b>24.60</b>	<b>-</b>	<b>541.73</b>

**(C) Market risk****(i) Foreign exchange risk**

The Company has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions (imports and exports). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency. The Company does not hedge its foreign exchange receivables/payables

**Foreign currency risk exposure:**

(₹ In Lakhs)

Particulars	31 <sup>st</sup> March 2023			31 March 2022		
	USD	EURO	GBP	USD	EURO	GBP
Trade receivables	-	-	-	-	1.14	-

**Sensitivity**

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

(₹ In Lakhs)

Particulars Currency Sensitivity	31 <sup>st</sup> March 2023			31 March 2022		
	USD	EURO	GBP	USD	EURO	GBP
Currency increase by 1%	-	-	-	-	0.01	-
Currency decrease by 1%	-	-	-	-	(0.01)	-

**Note - 32****RATIOS :-**

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022 :-

Particulars	Numerator	Denominator	31 March 2023	31 March 2022	Variance
Current Ratio (In times)	Current assets	Current liabilities	6.82	9.15	-25.5%
Debt – Equity Ratio (In times)	Total Debt (represents lease liabilities)	Shareholder's Equity	0.00	0.01	-66.1%
Debt Service Coverage Ratio (In times)	Earnings available for debt service	Debt Service	32.70	14.67	122.9%
Return on Equity (ROE) ( In % )	Net Profit for the year	Average Shareholder's Equity	12.22%	10.14%	20.5%
Trade receivables turnover ratio (In times)	Revenue from operations	Average Trade Receivable	3.00	2.91	3.1%
Trade payables turnover ratio (In times)	Manpower services and other expenses	Average Trade Payables	4.73	7.41	-36.2%
Net capital turnover ratio (In times)	Revenue from operations	Working Capital	0.58	0.58	-0.9%
Net profit ratio ( In % )	Net Profit for the year	Revenue from operations	20.53%	17.54%	17.0%
Return on capital employed (ROCE) (In %)	Earning before interest and taxes	Capital Employed = Net worth + Lease liabilities + Deferred tax liabilities	16.24%	14.22%	14.2%
Return on Investment(ROI) ( In % ) investments	Income generated from investments	Time weighted average	5.59%	5.74%	-2.7%

**Reasons for Variance of 25% or above:****Current Ratio**

Increase in provisions for expenses and provision for Income Tax

Debt – Equity Ratio	Payment of Lease Liability
Debt Service Coverage Ratio	Payment of Lease Liability
Trade payables turnover ratio	Increase in provision for expenses which is payable in next financial year

### Note – 33

#### Capital Management

The Company's objectives when managing capital are:

- To ensure Company's ability to continue as a going concern, and
- To provide adequate return to shareholders

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The amounts managed as capital by the Company are summarised as follow

(₹ In Lakhs)

Particular	31 March 2023	31 March 2022
Equity share capital	900.00	900.00
Other equity	7244.13	7030.16

#### Net debt to equity ratio

### Note – 34

#### Related Party

(a) The names of related parties as identified in accordance with provisions of the Indian Accounting Standard – 24 "Related Party Disclosure": -

Sl.No.	Name of the Related Party		Nature of Relationship
1	Engineers India Limited (EIL)		Holding company
	<b>Directors/Key Management Personnel (31 March 2023)</b>		
	Smt. Vartika Shukla	Chairman	Chairman and Managing Director in Engineers India Limited
	Shri Sanjay Jindal	Director	Director (Finance) in Engineers India Limited
	Shri V. John Paul	Director	Executive Director in Engineers India Limited
	Smt. Jayati Ghosh	Director (w.e.f. 05.01.2023)	Executive Director in Engineers India Limited
2	Smt. Anita Gurjar (till 20.10.2022)	Non-official Independent Director	-
	Shri Rajiv Ranjan	Chief Executive Officer (w.e.f. 15.03.2023)	General Manager in Engineers India Limited
	Smt. P. Nagini	Chief Financial Officer (w.e.f. 27.01.2023)	DGM in Engineers India Limited

Sl.No.	Name of the Related Party		Nature of Relationship
	Shri G Suresh	Chief Executive Officer (till 14.03.2023)	Chief General Manager in Engineers India Limited
	Shri Basant Kumar Das	Chief Financial Officer	-
	Ms. Jaya Totlani	Company Secretary	
3	<b>Directors/Key Management Personnel (31 March 2023)</b>		
	Smt. Vartika Shukla	Chairman (w.e.f. 01.09.2021)	Chairman and Managing Director in Engineers India Limited
	Shri Rakesh K Sabharwal	Chairman (till 31.08.2021)	-
	Shri Om Prakash Mishra	Non-official Independent Director	-
	Smt. Anita Gurjar	Non-official Independent Director	-
	Shri Sunil Bhatia	Director (till 30.06.2021)	Director (Finance) in Engineers India Limited till 30.06.2021.
	Shri Amitabh Budhiraja	Director (till 30.09.2021)	Executive Director in Engineers India Limited till 30.09.2021.
	Shri Avneesh Sawhney	Director (till 30.09.2021)	Executive Director in Engineers India Limited till 30.09.2021.
	Shri Sanjay Jindal	Director (w.e.f. 30.06.2021)	Director (F&A) in Engineers India Limited
	Shri V. John Paul	Director (w.e.f. 28.10.2021)	Executive Director in Engineers India Limited
	Shri G Suresh	Chief Executive Officer	Chief General Manager in Engineers India Limited
	Shri Basant Kumar Das	Chief Financial Officer	-
	Ms. Jaya Totlani	Company Secretary	-

**(b) Related Party Transactions**

During the year ended 31 March 2023, the Company had following transactions and outstanding balances with related parties:

Particulars	Relationship	Year	Amount	(Payable)/Receivable
Professional and technical services and facilities (Shown under Manpower Services head in Profit & Loss account)	Holding Company	31 March 2023	216.11	(193.33)
		31 March 2022	241.73	(110.70)
Execution of contract for Services (Shown under Income from Operations head in Profit & Loss account)	Holding Company	31 March 2023	16.32	20.54
		31 March 2022	226.13	71.58*
Dividend (interim and final)	Holding Company	31 March 2023	774.00	-
		31 March 2022	963.00	-

\*includes security deposit of ₹ 9.34 Lakhs and ₹ 39.39 Lakhs as at 31.03.2023 and 31.03.2022 respectively.

(c) Director's remuneration:

Sitting fees paid to Non-official Independent Directors for 31 March 2023 is ₹ 1.20 Lakhs (Previous year 31 March 2022 : ₹ 1.65 Lakhs)

(d) Chief Executive Officer of the Company is on deputation from EIL and the salary for which is paid by Engineers India Limited. EIL raises monthly bills on the basis of man-hour cost as per agreement with the Company which are accounted for as professional charges, under the head "Manpower Services". The details of the same is as under :-

(₹ in Lakhs)

Particulars	31 March 2023	31 March 2022
Remuneration	82.91	71.89

(e) Transactions and balances pertaining to KMP's (Other than CEO)

(₹ in Lakhs)

Particulars	31 March 2023	31 March 2022
<b>Transaction during the year</b>		
Remuneration	39.36	36.57
Rent Paid for residential accommodation	0.00	0.00
<b>Balance as at year end</b>		
Outstanding loans, interest and other receivables	0.00	0.00

**Defined Benefit obligation for Key Managerial Personnel (Other than CEO) :-**

(₹ In Lakhs)

Particulars	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Total Defined Benefit Obligation	13.94	10.05	22.92	25.80	0.59	0.71

**Note – 35**

**Contingent Liabilities and Commitments**

**i) Contingent Liabilities:**

- Income Tax assessments have been completed up to the assessment year 2020-2021. Tax liability, if any, in respect of pending assessment for subsequent assessment years up to assessment year 2020-21 cannot be ascertained. Due taxes on self-assessment basis have been paid.
- The Company has filed an application for rectification (u/s 154) of processing mistakes amounting to ₹ 63.24 Lakhs (inclusive of interest) (Previous Year ₹ 63.24 Lakhs (inclusive of interest) in intimation u/s 143(1) for the assessment year 2016-17.
- The Company has filed an application for rectification (u/s 154) of processing mistakes amounting to ₹ 124.37 Lakhs (inclusive of interest) (Previous Year ₹ 124.37) as wrongly shown in computation sheet attached with the Assessment Order u/s 147 r.w.s 144 read with section 144B dated 30.03.2023 for the assessment year 2015-16.
- The company has received a demand of ₹ 7.17 lakh (previous for ₹ 0.00) in intimation u/s 143(1) for assessment year 2021-22 from Income Tax department. The company is disagreeing with demand and is in process of filing reply against the demand order.
- The Company has filed an appeal against a demand of service tax of ₹ 1333.88 Lakhs (inclusive of interest and penalty) (Previous Year ₹ 1130.41 Lakhs (inclusive of interest and penalty)) by Commissioner of Service Tax issued on 20 January 2016 covering the period from April 2004 to March 2013 before Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai. Pre-deposit of ₹ 19.20 Lakhs had been deposited by the company on 13.04.2016.

**ii) Commitments:**

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided in accounts ₹ 0.00 (Previous Year - ₹ 0.00 ).

Estimated Amount of Corporate Social Responsibility commitments is ₹. 13.61 lakhs (previous year ₹ 25.32 lakhs )

## Note – 36

### Employee Benefits

The disclosures required under Indian Accounting Standard (Ind AS 19) 'Employee Benefits' are given below:

#### Defined Contribution Plan

The amount recognized as an expense in defined contribution plan is as under:

(₹ in Lakhs)

Particulars	31 March 2023	31 March 2022
Contributory Provident Fund and Employees' Pension Scheme, 1995	116.71	119.06
Contributory National Pension System (NPS)	80.57	74.80

#### Defined Benefit Plan

Company is having the following Defined Benefit Plans:

- Gratuity (funded)
- Leave encashment (unfunded)
- Long service awards (unfunded)

In this regard, actuarial valuation as on 31 March, 2023 was carried out by actuary in respect of all three plans, and the details are as under:

#### Risks associated with plan provisions

Inherent risk	The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks
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#### Disclosures related to funded obligations

##### a) The amounts recognized in the balance sheet

(₹ In Lakhs)

Particulars	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Present value of obligations as at the end of year	462.75	440.12	891.55	834.13	26.32	25.18
Fair value of plan assets as at the end of the year	478.22	452.95	--	--	--	--
Amount Not Recognised due to asset limit	--	--	--	--	--	--
Funded status	(15.46)	(12.83)	(891.55)	(834.13)	(26.32)	(25.18)
<b>Net (asset)/liability recognized in balance sheet</b>	<b>(15.46)</b>	<b>(12.83)</b>	<b>(891.55)</b>	<b>(834.13)</b>	<b>(25.18)</b>	<b>(25.18)</b>

##### b) Expenses recognized in statement of profit and loss

(₹ In Lakhs)

Particulars	Gratuity (Funded)		Leave encashment (Unfunded)*		Long service awards (Unfunded)	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Current service cost	7.14	10.20	126.80	108.58	2.15	2.10
Past service cost	--	--	--	--	--	--
Interest on net benefit asset/liability	(1.30)	(0.50)	58.02	45.19	1.60	1.66
Re-measurements gains/losses	--	--	(53.70)	147.41	1.95	(1.51)
<b>Expenses recognized in statement of profit and loss</b>	<b>5.84</b>	<b>9.70</b>	<b>131.12</b>	<b>301.18</b>	<b>5.70</b>	<b>2.25</b>

\* Amount debited to Profit & Loss is inclusive benefits availed.



**c) Expenses recognized in Other comprehensive income**

(₹ In Lakhs)

Particulars	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Actuarial (gains)/loss	--	--	--	--	--	--
Change in financial assumption	(11.01)	(20.09)	--	--	--	--
Change in demographic assumption	(0)	(6.28)	--	--	--	--
Experience adjustments	(0.87)	5.27	--	--	--	--
Actual return on plan assets	4.28	1.58	--	--	--	--
Adjustments to recognise the effect of asset ceiling	--	--	--	--	--	--
<b>Expenses recognized in other comprehensive income</b>	<b>(13.74)</b>	<b>(19.52)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

**d) Reconciliation of opening and closing balances of defined benefit obligation**

(₹ In Lakhs)

Particulars	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Present value of obligations as at beginning of year	440.12	427.43	834.13	665.47	25.18	25.93
Interest cost	31.72	29.50	58.02	45.19	2.15	2.10
Current service cost	7.14	10.20	126.80	108.58	1.60	1.66
Past service cost	--	--	--	--	--	--
Actuarial (gain)/loss on obligations	(11.01)	(21.11)	-53.70	147.41	1.95	(1.51)
Benefit paid	(4.35)	(5.90)	(73.69)	(132.52)	(4.55)	(3.00)
<b>Present value of obligations as at end of year</b>	<b>462.75</b>	<b>440.12</b>	<b>891.55</b>	<b>834.13</b>	<b>26.32</b>	<b>25.18</b>

**e) Reconciliation of opening and closing balances of fair value of plan assets**

(₹ In Lakhs)

Particulars	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Fair value of plan assets as on beginning of year	452.95	429.62	--	--	--	--
Interest on plan assets	33.02	30.00	--	--	--	--
Re-measurements due to actual return on plan assets less interest on plan assets	(4.28)	(1.58)	--	--	--	--
Contributions	0.87	0.81	--	--	--	--
Benefits paid	(4.35)	(5.90)	--	--	--	--
<b>Fair value of plan assets at the end of year</b>	<b>478.22</b>	<b>452.95</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

## f) Actuarial Assumptions

(₹ In Lakhs)

Particulars	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards(Unfunded)	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Discount rate	7.50 %	7.30%	7.50 %	7.30%	7.50 %	7.30%
Expected rate of future salary increase	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Retirement age	60 years	60 years	60 years	60 years	60 years	60 years

4) Mortality rates inclusive of provision for disability -100% of IALM (2012 –14)

5) Rates of leaving service at specimen ages are as shown below:-

Age (Years)	Rates (p.a.)
21 – 30	0%
31 – 40	1.24%
41 – 50	0.42%
51 – 59	0%

6) Leaving service due to disability is included in the provision made for all causes of leaving service (paragraph 5 above).

## g) Maturity profile of defined benefit obligation

(₹ In Lakhs)

Particulars	Gratuity (Funded)		Leave encashment (Earned Leave) (Unfunded)		Leave Encashment (Half Pay Leave) (Unfunded)		Long service awards (Unfunded)	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Weighted average of the defined benefit obligation	11.89 Years	12.87 Years	8.10 Years	8.40 Years	6.44 Years	6.85 Years	4.55 Years	4.09 Years
Duration of defined benefit obligation								
Duration (years)								
1	11.60	11.30	54.66	50.14	31.39	28.63	8.52	6.65
2	5.32	4.76	50.87	46.06	30.54	27.79	0.82	3.13
3	5.64	4.96	51.43	46.49	30.26	27.53	3.03	0.77
4	5.92	5.27	51.97	47.02	29.99	27.29	1.00	2.78
5	25.55	5.57	53.37	47.55	37.36	27.05	5.90	0.94
6	43.59	25.01	76.36	48.89	29.45	33.69	2.90	5.58
7	6.79	41.73	50.74	72.27	26.75	26.69	0.48	2.66
8	118.50	6.42	106.55	45.95	33.96	24.08	2.40	0.45
9	81.31	115.85	85.86	101.79	29.74	30.13	0.90	2.19
Above 10	950.69	1029.92	700.02	687.06	190.75	209.46	10.49	10.64

## h) Major Categories of Plan Assets (as percentage of total plan assets)

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
% Fund managed by insurer	100%	100%	--	--	--	--

## i) Sensitivity Analysis Gratuity (Funded)

(₹ in Lakhs)

Particulars	Discount rate		Salary escalation rate	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Impact of increase in 50 bps on defined benefit obligation	-5.73%	-6.18%	0.69%	0.79%
Impact of decrease in 50 bps on defined benefit obligation	6.18%	6.70%	-0.67%	-0.81%

## Leave Encashment (Earned Leave) (Unfunded)

(₹ in Lakhs)

Particulars	Discount rate		Salary escalation rate	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Impact of increase in 50 bps on defined benefit obligation	-3.93%	-4.07%	4.15%	4.25%
Impact of decrease in 50 bps on defined benefit obligation	4.18%	4.34%	-3.89%	-4.02%

## Leave Encashment (Half Pay Leave) (Unfunded)

(₹ in Lakhs)

Particulars	Discount rate		Salary escalation rate	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Impact of increase in 50 bps on defined benefit obligation	-3.13%	-3.33%	3.24%	3.45%
Impact of decrease in 50 bps on defined benefit obligation	3.31%	3.52%	-3.11%	-3.30%

## Long Service Awards (Unfunded)

(₹ in Lakhs)

Particulars	Discount rate		Salary escalation rate	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Impact of increase in 50 bps on defined benefit obligation	-2.22%	-1.98%	-2.40%	-2.14%
Impact of decrease in 50 bps on defined benefit obligation	2.31%	2.07%	1.62%	1.51%

## Note – 37

### Proposed Dividend

(₹ In Lakhs)

Proposed dividend on equity shares	31 March 2023	31 March 2022
Proposed Final dividend for 31 March 2023 (₹ 43.00 per share) (previous year 31 March 2022: ₹ 26.00 per share)	387.00	234.00
<b>Total</b>	<b>387.00</b>	<b>234.00</b>
Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as liability.		

## Note – 38

CSR activity reserve amounting to ₹ 16.00 Lakhs for 31 March 2023 (Previous year 31 March 2022 : ₹ 17.10 Lakhs. Lakhs) represents unspent amount out of amounts set aside for meeting social obligations as per Department of Public Enterprise guidelines and the Companies Act 2013 for Corporate Social Responsibility.

**Note – 39**

There is no impairment of cash generating assets during the year in terms of Ind AS 36 “Impairment of Assets”.

**Note – 40**

Liability in respect of ‘Performance Related Pay’, amounting to ₹49.77 Lakhs (previous year 31 March 2022 : ₹ 25.53 Lakhs) for the employees for the year ended on 31 March 2023 has been estimated and provided based on scheme formulated in accordance with DPE guidelines, based upon certain ranking parameters.

The cafeteria allowance of ₹ 96.95 lakhs (Previous year ₹68.36 lakhs) has been made for the employees for the year ended on 31 Mar 2023 in accordance with approval of board for increase in cafeteria allowance from 30% -35% .

**Note – 41**

Guarantees issued by banks and outstanding as on 31 March 2023 ₹ 656.49 Lakhs , inclusive of Expired BG of ₹ 2.70 Lakhs, (previous years 31 March 2022 586.33 Lakhs , inclusive of Expired BG of ₹ 9.19 Lakhs).

**Note – 42**

The Company has a Memorandum of Understanding with Engineers India Limited (The Holding Company) for utilizing their facilities like providing manpower, office space and other facilities etc. The MOU provides level based fixed man hour/ man-day rates for EIL employees on cost plus overhead basis and fixed annual cost towards space, infrastructure and facilities etc.

The Company also has entered into Memorandum of Understandings with Engineers India Limited for providing Technical services to EIL at actual cost plus margin.

**Note – 43**

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act 2006 to the extent information available with the company is given below:

(₹ In Lakhs)

Sl. No.	Particulars	31 March 2023	31 March 2022
i	Amount due and payable at the year end		
	-Principal	1.72	59.62
	- Interest on above Principal	-	-
ii	The amount of interest paid along with the amounts of the payment after the due date	-	-
lii	The amount of interest due and payable for principals already paid	-	-
iv	The amount of interest accrued and remaining unpaid at the year end	-	-
v	The amount of interest which is due and payable which is carried forward from last year	-	-

**Note – 44**

The Company operates in the nature of service towards Certification and Third Party Inspection jobs, which comes under single segment. Hence segment reporting requirements under Ind AS-108 “Operating Segments” is not applicable.

**Note – 45**

The details of revenue are as below:

(₹ In Lakhs)

Particulars	31 March 2023	31 March 2022
Revenue from Operations	4784.90	4624.50
Other Income	383.41	366.14
<b>Total Revenue</b>	<b>5168.31</b>	<b>4990.64</b>

**Note – 46**

Trade receivables and Contract Balances

The following table provides information about Trade receivable, Contract assets and Contract Liabilities from Contract with Customers:

(₹ In Lakhs)

Particulars	31 March 2023	31 March 2022
Trade Receivables (Note No. 11) – Net of Allowance for expected credit losses	1662.21	1527.64
Contract Assets ( Unbilled Revenue) (Note No. 6 B)	750.81	627.16
Contract Liabilities ( Unearned Revenue) (Note No. 17 B)	11.97	26.72
Contract Liabilities ( Advance from Customers) (Note No. 17 B)	145.22	98.00

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Trade receivable and unbilled revenue are presented net of impairment in the Balance Sheet.

Revenues in excess of Invoicing is recorded as unbilled revenue (contract assets) and is classified as a financial asset. Revenue recognition for Lump sum contracts is based on percentage of completion method based on cost progress. Invoicing to the clients is based on milestones as defined in the contract. Revenue from Cost plus and rate plus jobs are recognized when the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue.

Invoicing in excess of earnings are classified as Income received in advance (contract liabilities) and is classified as other current liabilities. During the year ended March 31, 2023, ₹396.40 Lakhs of unbilled revenue as of April 1, 2022 (Previous year ₹600.51 Lakhs) has been reclassified to Trade receivables upon billing to customers.

During the year ended March 31, 2023, the company recognized revenue of ₹26.72 Lakhs arising from opening unearned revenue as of April 1, 2022 (Previous year ₹124.69 Lakhs)

During the year ended March 31, 2023, the company recognised revenue of ₹ 0.00 Lakhs (Previous year ₹7.82 Lakhs) from obligations satisfied in previous periods.

#### Remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Performance obligation estimates are subject to change and are affected by several factors, including termination, changes in the scope of work, adjustment for revenue that has not materialized, and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March 2023 is ₹ 5662.02 Lakhs (Previous year ₹5606.35 Lakhs ). Out of this, the Company expects to recognize revenue of around 75% (Previous year 35%) within the next one year and the remaining thereafter.

#### Note – 47

The balances of trade receivables, loans and advances, customer's advances, retention money, security deposits receivable/payable and trade payables are subject to confirmation and reconciliation.

Tax deducted at source by our clients & banks for the financial year 2022-23 is subject to reconciliation with Form 26AS.

#### Note – 48

##### Corporate social responsibility expenses

The requisite disclosure relating to CSR expenditure in terms on amended Schedule III of the Companies Act and Guidance Note on Corporate Social Responsibility (CSR) issued by the Institute of Chartered Accountants of India:

##### (a) Disclosure with regard to CSR activities:

(₹ In Lakhs)

Particulars	31 March 2023	31 March 2022
Amount required to be spent by the Company during financial year	26.83	28.14
Amount of Expenditure incurred	14.34	84.56
Shortfall at the end of the year	12.49	-
Total of previous years shortfall	17.12	73.54
Total Shortfall	29.61	17.12
Amount available for Set Off	-	-
Total of Excess amount spent at the end of year including previous year	-	-
Surplus arising out of CSR Project	-	-
Reason for Shortfall	Pertains to ongoing projects	Pertains to ongoing projects
Details of related party transactions	Not Applicable	Not Applicable
Provision made with respect to a liability incurred	0.00	25.32

Also Refer Note No 15 & 18B.

\*Movement of Provision

(₹ In Lakhs)

Particulars	31 March 2023	31 March 2022
Opening balance	25.32	-
Additional provision during the year	-	25.32
Provision used during the year	25.24	-
Closing balance	0.08	25.32

**(b) Amount spent during the financial year ended 31 March 2023 and 31 March 2022 on:**

(₹ In Lakhs)

Particulars		In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	31 March 2023	0.00	0.00	0.00
	31 March 2022	2.82	25.32	28.14
(ii) On purposes other than (i) above	31 March 2023	14.34	-	14.34
	31 March 2022	56.42	-	56.42

**(c) Nature of CSR activities:**

(₹ In Lakhs)

Nature of CSR activities (Thrust Area-wise)	31 March 2023	31 March 2022
Promoting Education	-	-
Health care & nutrition	9.99	37.80
Skill Development /Vocational Training	-	28.14
Disaster Management	-	-
Benefit of armed forces veterans, war widows etc.	-	-
Prime Minister National Relief Fund	4.35	8.72
Others	-	9.90
<b>Total</b>	<b>14.34</b>	<b>84.56</b>

**Note – 49****Expected Losses:**

For each contract, at reporting date, total contract cost and total contract revenue are estimated. In respect of contracts, where it is probable that total estimated contract cost will exceed the estimated total contract revenue, the expected loss is recognised as an expense in the statement of Profit and Loss.

**Note – 50**

(₹ In Lakhs)

Assessment Year	31 March 2023	31 March 2022
2002-03	9.82	9.82
2007-08	11.85	11.85
2008-09	7.00	7.00
2011-12	20.99	20.99
2012-13	2.88	2.88
2014-15	48.61	48.61
2016-17	4.14	4.14
2018-19	38.68	38.68
2019-20	-	-
2020-21	-	106.39
2021-22	0.37	0.37
2022-23	-	-
	<b>144.34</b>	<b>250.73</b>



## Note – 51

- a) The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year 2022-23.
- b) The company has not been declared wilful defaulter by any bank or financial institution.
- c) The non-fund-based facilities from banks are unsecured. The company is availing non fund-based facilities from a bank and furnishing required documents as and when required by the banker, more particularly at the time of renewal exercise i.e. on yearly basis.
- d) There are no pending charges which is yet to be registered with Registrar of Companies (ROC) as on 31 March 2023 with respect to the Non fund-based facilities availed by CEIL.

## Note – 52

The additional regulatory information with respect to transaction with strike-off companies are as under:

Our company has not entered into any transaction with a struck-off company in MCA records. However, the company has recoverable balance of ₹ 327.00 (Previous Year ₹ 327.00).

## Note – 53

Compensation of ₹15.00 Lacs has been paid in financial year by the company in accordance with approval at 126th Board Meeting of Board of Directors to Survivors of Late Mr Arjun T (Outsourced Employee of CEIL), who was found deceased while on service to CEIL on Barge P-305 which sank due to Cyclone Tauktae. The said compensation has been shown in profit & loss account under “Miscellaneous Expenses” (Note No 27C) of financial year 2021-22.

## Note – 54

The previous year figures have been audited by a firm other than M/S Goyal Parul & Co. Chartered Accountants.

## Note – 55

Previous year’s figures have been regrouped /reclassified to make them comparable to the figures of the current year.

For and on behalf of Certification Engineers International Limited

For Goyal Parul & Co.  
Chartered Accountants  
Firm Regn. No. 016750N

CA SANCHIT AGRAWAL  
Partner  
Membership No. 435163  
UDIN : 23435163BGTTP3949

( J. TOTLANI)  
Company Secretary  
PAN : BGIPK9258H

(P. NAGINI)  
Chief Financial Officer  
PAN : AFCPP1627F

(RAJIV RANJAN)  
Chief Executive Officer  
PAN : AAPP0496J

(SANJAY JINDAL)  
Director  
DIN : 09223617

(VARTIKA SHUKLA)  
Chairman  
DIN : 08777885

Place : New Delhi  
Date : May 23, 2023

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF CERTIFICATION ENGINEERS INTERNATIONAL LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of financial statements of Certification Engineers International Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 23 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Certification Engineers International Limited for the year ended 31 March 2023 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report under section 143(6)(b) of the Act.

For and on behalf of the Comptroller & Auditor General of India

**Place:** New Delhi

**Dated:** 18/08/2023



(Sanjay K. Jha)

Director

General of Audit (Energy)



## Notes









An ISO 9001: 2015, 17020 Company  
Approved by PNGRB  
CIN : U74899DL1994GOI062371

**CERTIFICATION ENGINEERS INTERNATIONAL LIMITED**  
(A Wholly owned subsidiary company of Engineers India Limited, A Govt. of India Undertaking)

**Head Office:** Engineers India Bhavan, 1st Floor, Plot No.85, Sector 11,  
Kharghar, Navi Mumbai, Dist. Raigad, Maharashtra 410 210  
Tel.: 91-22- 2752 8700 Email: [marketing@ceil.co.in](mailto:marketing@ceil.co.in)/[ceilmby@ceil.co.in](mailto:ceilmby@ceil.co.in)