

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, 2024, 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 2023-24. The details of the Board Meetings are as under:

Sl.No.	Date of Meeting	Place	Board Strength	No. of Directors Present
1	May 23, 2023	New Delhi	4	3
2	August 1, 2023	New Delhi	4	4
3	August 29, 2023	New Delhi	3	3
4	November 7, 2023	New Delhi	3	3
5	February 1, 2024	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 2023-24 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 15.09.2023	Other Directorships	Other Committee Memberships	Other Committee Chairmanships
A) Part time Directors –From Holding Company, EIL					
I) Present Directors					
Smt. Vartika Shukla, Chairman	5	Yes	1	-	-
Smt. Jayati Ghosh	4	Yes	0	-	-
Shri R.P.Batra*	2	Yes	0	-	-
Shri S.Balakumar**	1	N.A.	0	-	-
II) Past Directors					
Shri Sanjay Jindal***	2	No	1	-	-
Shri V.John Paul****	3	N.A.	0	-	-

Remarks

- * Shri R.P.Batra was appointed as Part-time Director w.e.f. 30.08.2023.
 ** Shri S.Balakumar was appointed as Part-time Director w.e.f. 30.11.2023.
 *** Shri Sanjay Jindal was ceased to be Part-time Director w.e.f. 02.08.2023.
 **** Shri V.John Paul was ceased to be Part-time Director w.e.f. 01.09.2023.

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:

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 has 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>

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, 2024.

Place: Mumbai
Date :31.03.2024

(Rajiv Ranjan)
Chief Executive Officer

f) Separate Meetings of Independent Directors

As on 31.03.2024, 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. No separate meeting of the Independent Director was 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 along with their shareholding in the Company etc. pursuant to the statutory requirements is annexed to the notice calling the 29th 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 31.03.2024. The agenda for the Audit Committee are taken up by the Board. Also there is no Audit Committee meeting held during the FY 2023-24.

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 26th 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 31.03.2024. The agenda for the Remuneration Committee are taken up by the Board. Further, no meeting was held during the financial year 2023-24.

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.

6). CSR COMMITTEE OF THE BOARD

The Board of Directors of CEIL vide 143rd meeting dated 25.04.2024 approved the re-constitution of CSR Committee of the Board. The composition of CSR committee of the Board is as follows:

1. Smt. Vartika Shukla, Chairman
2. Smt. Jayati Ghosh, Member
3. Shri R.P.Batra, Member

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 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
26 th	2020-21	EIB, 1, Bhikaiji Cama Place, New Delhi-110066	17.09.2021	3.00 p.m.
27 th	2021-22	EIB, 1, Bhikaiji Cama Place, New Delhi-110066	21.09.2022	3.00 p.m.
28 th	2022-23	EIB, 1, Bhikaiji Cama Place, New Delhi-110066	15.09.2023	10.00 a.m.

ii) Details of Special resolutions passed at last three AGMs

AGM	Details of Special Resolutions Passed
26 th	Nil
27 th	Nil
28 th	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 2023-24, no Extra-ordinary General Meeting of the Members was held.

11). DISCLOSURES

- (i) Details of transactions between the company and its holding Company, associates, key managerial personnel during the financial year 2023-24 are given in Note 35 of the Notes to Accounts for the year ended 31st March, 2024. 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 2023-24 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 29.22% of the total expenses in the Financial Year 2023-24 as against 25.08% during the Financial Year 2022-23.
- (ix) None of the Directors of the Company are inter-se related as on 31st March, 2024.

12). MEANS OF COMMUNICATION

The quarterly/yearly financial results are displayed on the website viz. 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 2023-24 contain a qualification. The said qualification along with the management reply 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 <https://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. <https://ceil.co.in/>.

16). GENERAL INFORMATION

i) Annual General Meeting

Day and Date	Monday and 09.09.2024
Time	3.00 PM
Venue	EIB, 1, Bhikaji Cama Place New Delhi - 110066

ii) Financial Year

1st Day of April to 31st Day of March every year.

iii) Dividend

The Board of Directors of the Company have recommended payment of Final Dividend of ₹75/- per share (9,00,000 equity shares of ₹100/- per share) for the Financial Year ended 31st March, 2024 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, 2024.

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

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

v) Auditors

M/s Jain Chopra & Co.,

Chartered Accounts

1960, 1 Floor, Outram Lines,

GTB Nagar, New Delhi-110009.



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 31st March, 2024.
- 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: 24.05.2024

Rajiv Ranjan
Chief Executive Officer

P.Nagini
Chief Financial Officer

REPORT/CERTIFICATE 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 report contains details of compliance of conditions of corporate governance by Certification Engineers International Ltd. ('the company') for the year ended 31st March, 2024 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

- 2). 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

- 3). 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.
- 4). 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 31st March 2024.
- 5). 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.
- 6). 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

- 7). 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) Non-compliance of Clause 3.1.1 of DPE Guidelines

There was no functional Director exists in the Board of the Company during the FY 2023-24 as required under the clause that there should be optimum combination of Functional, Non Functional Directors in the Board of the Company.

b) Non-compliance of Clause 3.1.4 of DPE Guidelines

There was no independent director during the financial year 2023-24 as required under the clause at least one third of the Board Members should be Independent Directors.

c) Non Compliance of Clause 4.1 of DPE Guidelines

The Company has not constituted an Audit Committee in absence of any Independent director during the year which is in contravention to clause 4.1 of the DPE Guidelines

d) Non Compliance of Clause 4.4 of DPE Guidelines

The meetings of the Audit Committee were not held as per DPE Guidelines as Audit Committee was not constituted in absence of any Independent director during the year which is in contravention to clause 4.4 of the DPE Guidelines.

e) Non Compliance of clause 5.1 of DPE Guidelines

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

8). 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

9). This certificate is issued on the request of the Company.

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.

Place : Delhi

Date: May 25, 2024

For Jain Chopra & Company
Chartered Accountants
Firm Regn. No.: - 002198N

CA Ashok Chopra
Partner

Membership No.: - 017199
UDIN:24017199BKGXMH7699

MANAGEMENT'S REPLY TO AUDITOR'S REPORT ON CORPORATE GOVERNANCE (2023-24)

Sl. No.	AUDITOR'S COMMENT	MANAGEMENT'S REPLY
1.	There was no functional Director exist in the Board of the Company during the FY 2023-24 as required under the clause that there should be optimum combination of Functional, Non Functional Directors in the Board of the Company.	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.	There was no Independent Director during the financial year 2023-24 as required under the clause at least one third of the Board Members should be Independent Directors.	CEIL is a Public Sector Undertaking and appointment of Independent Directors are made by the Government of India.
3.	The Company has not constituted an Audit Committee in absence of any Independent Director during the year which is in contravention to clause 4.1 of the DPE Guidelines.	CEIL is a Public Sector Undertaking and appointment of Independent Directors are made by the Government of India.
4.	The meetings of the Audit Committee were not held as per DPE Guidelines as Audit Committee was not constituted in absence of any Independent Director during the year which is in contravention to clause 4.4. of the 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 which is in contravention to clause 5.1 of the DPE Guidelines	CEIL is a Public Sector Undertaking and appointment of Independent Directors are made by the Government of India