



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

CERTIFICATION ENGINEERS INTERNATIONAL LTD.

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



*A Third Eye to
Ensure Quality*



The Mission

- To achieve Customer Delight through constant Value addition and Innovation
- To strive relentlessly, constantly improve ourselves, our team and our service to become the best
- To attain uncompromised quality and integrity
- To inspire and facilitate employees towards excellence and ethics



The Vision

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

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 risk.

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,

It gives me great pleasure to review the performance of your Company for the Financial Year 2018-19 and share opportunities ahead of us in high growth areas, its business plans and future outlook.

The year 2018-19 has been eventful and landmark year in terms of highest ever topline, and improved performance in diversified sectors.

Your Company has commenced 25th year of its journey, since its inception in 1994, has maintained its niche position as one of the leading indigenous agency operating in critical domain of certification and recertification of offshore structures. Company has emerged as one of the most preferred and professionally competitive Third Party Inspection (TPI) agency for

providing Inspection services of high end critical equipment in quality sensitive hydrocarbon projects. Your Company continues to provide quality services in the Infrastructure projects too.

Considering huge investments and growth in Infrastructure, Railways, Ports, Nuclear, Airport, Defence and expected growth in core Oil & Gas sector in the country, your Company is continuously exploring possibility of scaling its business of Quality Assurance Services to its clients in its core hydrocarbon segment and other diversified sectors, by leveraging its credentials and capabilities.

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 mid stream, down stream installations and Integrity Management System audits of gas pipelines.

I am delighted to share with you that on financial front during 2018-19, Your Company has registered a turnover of ₹52.91 Crores which is about 5.2% higher than previous year. In a highly competitive business scenario, your Company has been able to earn profit after tax (PAT) of ₹9.36 Crores.

Your Company was able to secure business worth ₹47.88 Crores during the year. With this, the total unexecuted order book as on March 31, 2019 stood at around ₹31.25 Crores.

Your Company is continuously re-visiting its processes, systems and procedures for providing high quality services to its clients. My appreciation goes to highly dedicated, motivated and professional manpower for maintaining quality and timely deliverables.

I am happy to share that your Company's performance on various financial and non-financial parameters under Memorandum of Understanding (MoU) with its parent

organization, EIL for the year 2017-18 was rated "Very Good". MoU for the year 2019-20 has been signed with EIL.

Your Company is focused on undertaking CSR initiatives for the benefit of underprivileged sections of the society.

As part of these CSR initiatives, your Company is committed to continuous evaluation of projects and subsequent implementation in focus areas as per the approved policy.

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 business endeavors.

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

I thank every employee of CEIL for their dedication, commitment and continuous efforts to sustain the growth of the Company.

I wish you and your families prosperity and good health.

Jagdish Chander Nakra
Chairman

BOARD OF DIRECTORS



J. C. NAKRA
Part-time Chairman



UMESH CHANDRA PANDEY
Non-official Independent
Director
(Upto 19.11.2018)



DR. (PROF.) MUKESH KHARE
Non-official Independent
Director
(Upto 19.11.2018)



OM PRAKASH MISHRA
Non-official Independent
Director
(w.e.f. 24.07.2018)



L. K. VIJH
Part-time Director
(Upto 03.06.2018)



S. K. HANDA
Part-time Director
(Upto 16.05.2019)



SUNIL BHATIA
Part-time Director
(w.e.f. 17.05.2019)



R. MAHAJAN
Part-time Director



AMITABH BUDHIRAJA
Part-time Director
(w.e.f. 04.06.2018)

Chief Executive Officer

G. Suresh (w.e.f. 01.02.2019)
S. D. Kherdekar (Upto 31.01.2019)

CORPORATE INFORMATION

CHIEF FINANCIAL OFFICER

Shri G. D. Goswami

COMPANY SECRETARY

Ms. Jaya Totlani

STATUTORY AUDITORS

M/s. V. K. Verma & Co,
Chartered Accountants
C-37, Connaught Place,
New Delhi-110001.

BANKERS

Bank of India

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

Corporation Bank

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

Axis Bank

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

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

D101-106, First Floor, Tower No. 7,
ITC, CBD Belapur Station Complex,
CBD Belapur, Navi Mumbai-400614.
Tel.: 022-67958700
Fax: 022-67958702

TEN YEARS' PERFORMANCE AT A GLANCE

(₹ in Lakhs)

PARTICULARS / YEARS	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	** 2015-2016	2016-2017	2017-2018	2018-2019
A. OPERATING STATISTICS										
Turnover*	2,390.64	2,949.14	2,992.04	2,843.13	2,763.00	3,440.43	3,756.34	3,818.26	5,029.16	5,291.40
Other Income	233.19	268.66	359.00	397.59	444.88	399.28	409.95	377.35	409.89	409.92
Expenditure	1,261.69	1,680.25	1,864.86	2,085.17	2,236.02	2,501.00	2,674.09	2,625.26	3,642.08	4,380.52
Prior Period Adj (Net)	(2.38)	5.69	-	19.62	13.81	-	-	-	-	-
Profit Before Tax	1,364.52	1,531.86	1,486.18	1,135.93	958.05	1,338.71	1,492.20	1,570.35	1,796.97	1,320.80
Tax	492.49	518.48	501.44	405.29	330.60	463.71	527.51	571.81	592.81	407.57
Deferred Tax (Assets)/ Liability	(21.44)	(8.68)	(21.67)	(36.48)	(8.61)	(0.90)	(14.70)	(22.40)	(40.89)	(22.63)
Profit After Tax	893.47	1,022.06	1,006.41	767.12	636.06	875.90	979.39	1,020.94	1,245.05	935.86
Other Comprehensive Income							(9.65)	15.46	6.52	6.57
Total Comprehensive Income for the year							969.74	1,036.40	1,251.57	942.43
Dividend including Dividend Tax	350.31	378.21	406.77	466.44	467.98	540.88	541.61	601.79	842.50	783.61
B. FINANCIAL POSITION										
CAPITAL EMPLOYED	3,914.77	4,558.62	5,158.26	5,458.94	5,627.02	6,243.30	6,671.43	7,106.04	7,515.11	7,673.93
NON CURRENT ASSETS	387.49	1,200.54	609.27	789.31	859.19	764.58	826.84	756.17	704.51	759.33
CURRENT ASSETS	4,227.73	4,140.99	5,323.38	5,451.43	5,598.31	6,378.38	7,028.51	7,389.31	8,203.16	8,116.39
EQUITY & LIABILITIES										
i) Share Capital	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	900.00
ii) Other Equity	3,814.77	4,458.62	5,058.26	5,358.94	5,527.02	6,143.30	6,571.43	7,006.04	7,415.11	6,773.93
NON CURRENT LIABILITIES	-	124.62	157.14	209.22	245.64	294.19	405.14	421.71	489.02	455.40
CURRENT LIABILITIES	700.45	658.29	617.25	572.58	584.84	605.47	778.78	617.73	903.54	746.39
C. RATIOS										
PBT / Turnover(%)	57.08	51.94	49.67	39.95	34.67	38.91	39.72	41.13	35.73	24.96
PBT / Capital Employed(%)	34.86	33.60	28.81	20.81	17.03	21.44	22.37	22.10	23.91	17.21
PAT / Networth(%)	22.82	22.42	19.51	14.05	11.30	14.03	14.68	14.37	16.57	12.20
Turnover/ Net Worth (No. of Times)	0.61	0.65	0.58	0.52	0.49	0.55	0.56	0.54	0.67	0.69
Sundry Debts/ Turnover (Month's Turnover)	4.92	4.86	3.80	5.09	4.74	4.89	4.98	5.42	4.30	3.33
Turnover / Total Assets (No. of Times)	0.52	0.55	0.50	0.46	0.43	0.48	0.48	0.47	0.56	0.60

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 24th Annual General Meeting of the Members of Certification Engineers International Limited will be held on **Thursday**, the **29th** day of **August**, 2019 at **04:00 pm** at the Registered office of the Company at E.I. Bhawan, 1, Bhikaiji Cama Place, New Delhi-110066, 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 31st March, 2019, 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 2018-19.
3. To appoint a Director in place of Shri R. Mahajan (DIN: 07262295), 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 2019-20 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 2019-20."

SPECIAL BUSINESS:

5. To appoint Shri O.P. Mishra (DIN: 06407676) as Non-official Part-time Independent 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 O.P. Mishra (DIN 06407676), who was appointed as an Additional Director (Non-official Part-time Independent) by the Board of Directors w.e.f. 24.07.2018 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has, pursuant to section 160 of the Companies Act, 2013, received a notice from Shri O. P. Mishra, himself in writing proposing his candidature for the office of director, be and is hereby appointed as Non-official Part-time Independent Director of the Company till 23.07.2021 or till further orders of the Government, whichever is earlier."

6. To appoint Shri Sunil Bhatia (DIN: 08259936) 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 Sunil Bhatia, (DIN 08259936), who was appointed as an Additional (Part-time) Director by the Board of Directors w.e.f. 17.05.2019 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 Sunil Bhatia 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**

**(Jaya Totlani)
Company Secretary
ACS No. A26210**

Date: 23 July 2019
Place: New Delhi

Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No(s). 5 and 6 of the Notice is annexed hereto.
2. **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint one or more proxy(ies) to attend and vote on a poll instead of himself and a proxy so appointed need not be a member of the Company.** The instrument appointing the proxy (duly completed, stamped and signed) must be deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company.
3. Pursuant to the requirements of Companies Act and DPE Guidelines on Corporate Governance, brief resume(s) of the Director(s) proposed for appointment/reappointment are annexed with the Notice.
4. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. All documents referred to in the accompanying notice are 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.
6. The Annual Report of the Company, circulated to the Members of the Company, will also be made available on the Company's website i.e. www.ceil.co.in.
7. The Route Map of the venue of 24th AGM along with prominent land-mark is given in the Annual Report.
8. No gifts, gift coupons or cash in lieu of gifts shall be distributed to Members in the Annual General Meeting or afterwards.

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

**(Jaya Totlani)
Company Secretary
ACS No. A26210**

Date: 23 July 2019
Place: New Delhi

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**Item No. 5**

Shri O.P.Mishra was appointed as Additional(Non-official Part-time Independent) Director with effect from 24.07.2018 by the Board of Directors of the Company pursuant to Article 62(1) of the Articles of Association of the Company and applicable provisions of Companies Act, 2013 and in terms of Ministry of Petroleum & Natural Gas, Government of India letter No. C 31033/2/2018-CA (22758) dated 24.07.2018. The tenure of Shri O. P. Mishra as per said Government of India letter is till 23.07.2021 or until further orders of the Government, whichever is earlier. In terms of Section 161 of the Companies Act, 2013 Shri O.P.Mishra shall hold office upto the date of this Annual General Meeting. The Company has, in terms of Section 160 of the Act, received in writing a notice from Shri O.P. Mishra, proposing his candidature for the office of Non-official Part-time Independent Director. In view of the background and vast experience, it will be in the interest of the Company that he continues as Non-official Independent Director of the Company. Brief resume containing inter-alia the statutory disclosures of Shri O.P.Mishra has been given in the Annexure to the notice of 24th Annual General Meeting. The appointment of Shri O. P. Mishra is upto 23.07.2021 or until further orders of the Government of India, whichever is earlier. He is not liable to retire by rotation. Being the Non-official Independent Director, Shri O.P.Mishra is entitled to receive the sitting fees for attending each meeting of the Board of Directors and committee(s) thereof, along with expenses incidental thereto.

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 Shri O. P. Mishra who is proposed to be appointed.

Item No. 6

Shri Sunil Bhatia was appointed as Additional (Part-time) Director with effect from 17.05.2019 by the Board of Directors of the Company pursuant to 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 Sunil Bhatia shall hold office upto the date of this Annual General Meeting. The Company has, in terms of Section 160 of the Act, received in writing a notice from Shri Sunil Bhatia, 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 Sunil Bhatia has been given in the Annexure to the notice of 24th 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 Sunil Bhatia who is proposed to be appointed.

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

**(Jaya Totlani)
Company Secretary
ACS No. A26210**

Date: 23 July 2019
Place: New Delhi

Brief Resume of Shri R. Mahajan, Part-time Director, retiring by rotation and eligible for re-appointment vide item no. 3 of Notice of 24th AGM

Item No. 3

Name of Director	Shri R.Mahajan
Father's Name	Shri Suraj Prakash
Designation	Part-time Director
Date of Birth	23 rd August, 1960
Official Address	Certification Engineers International Limited E.I.Bhawan, 1, Bhikaiji Cama Place, New Delhi-110066.
Qualifications	B.Tech (Electrical) Diploma/Certificate course in Electrical Power Systems
Experience	In EIL, he has around 37 years of diversified experience in Electrical Design, Refineries, Petrochemical, Metallurgy and Contract & Purchase. He has been involved in Projects conceptualization, feasibility, basic design & detailed engineering, front and engineering & design (FEED), procurement, project management and standardization & quality assurance. He has been actively involved in marketing of EIL services to domestic as well as overseas clients.
Directorships in other companies	Nil
Chairman/Membership of Committees across all public companies	Nil
Number of Board Meeting(s) attended	4
Relationship with Directors/Key Managerial Personnel inter-se	None
Number of Shares held in the Company	45 equity shares*

* Shares held in personal name as nominee of EIL i.e. beneficial interest in the shares vest in EIL.

Brief resume of Shri O. P. Mishra, Non-official Independent Director, vacating office at 24th AGM and propose to be appointed vide item no. 5 of Notice of 24th AGM

Item No. 5

Name of Director	Shri O.P.Mishra
Father's Name	Shri Ramjee Mishra
Designation	Non-official Independent Director
Date of Birth	13 th October, 1976
Official Address	Certification Engineers International Limited E.I.Bhawan, 1, Bhikaiji Cama Place, New Delhi-110066.
Qualifications	<ul style="list-style-type: none"> • Bachelor in Science • Chartered Accountant • Cost & Management Accountant
Experience	<p>CA O.P. Mishra is the managing partner of OPM & Associates, Chartered Accountants. He is a member of prestigious institutions such as the Institute of Chartered Accountants of India and Institute of Cost Accountant of India. Mr. Mishra possesses immense and vast experience in the field of international taxation, Direct taxation, indirect taxation, Banking sector, statutory audits. He has immense potential and has been also handling a role in an advisory capacity, wherein he has been advisor to different corporates. Needless to mention, he was also a member of a working group of research and publication of committee for capacity building of CA firms and small & medium practitioners of ICAI. He was special invitee for the committee for cooperative and NPO Sectors of ICAI.</p> <p>Mr. Mishra is also an active participant, who has been actively involved in many social issues and has been relentlessly working for upliftment of deprived and lower strata of the society. He has been a consistent and devoted worker, working with zeal and commitment to contribute his best for the society, in various ways he could contribute.</p>
Directorships in other companies	Dakshya Infratech Pvt. Ltd.
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	Nil

**Brief resume of Shri Sunil Bhatia, Part-time Director, vacating office at
24th AGM and propose to be appointed vide item no. 6 of
Notice of 24th AGM**

Item No. 6

Name of Director	Shri Sunil Bhatia
Father's Name	Shri Dev Raj Bhatia
Designation	Part-time Director
Date of Birth	9 th June, 1961
Official Address	Certification Engineers International Limited E.I.Bhawan, 1, Bhikaiji Cama Place, New Delhi-110066.
Qualifications	B.Com.(Hons.), M.Com., FCMA
Experience	<p>Appointed by the Board with effect from 17th May, 2019, Shri Sunil Bhatia, Director (Finance), Engineers India Ltd. serves in the capacity of Part-time Director on the Board of CEIL.</p> <p>Shri Bhatia is B.Com (Hons.) and M.Com alumni from Punjab University, Chandigarh and FCMA from the Institute of Cost Accountants of India.</p> <p>In a career spanning over 32 years, Shri Bhatia has worked in a wide array of domains including Projects, Finance, Manufacturing and Marketing. He joined NFL in 1986 and worked in various capacities in the Finance Department at Nangal Unit of NFL till April, 2000. Thereafter, he served in various capacities at the NFL's Corporate Office, Noida and was made Finance Head in August, 2013. Subsequently, in August, 2015, he was posted as Chief Financial Officer at Ramagundam Fertilizers and Chemicals Limited (RFCL), a Joint venture company of NFL, EIL and FCIL.</p>
Directorships in other companies	2
Chairman/Membership of Committees across all public companies	Engineers India Ltd. Stakeholders Relationship Committee Ramagundam Fertilizers & Chemicals Ltd. Audit Committee
Number of Board Meeting(s) attended	None
Relationship with Directors/Key Managerial Personnel inter-se	None
Number of Shares held in the Company	Nil

DIRECTORS' REPORT

To
The Shareholders,
Certification Engineers International Limited

Ladies & Gentlemen,

Your Directors have pleasure in presenting the 24th Annual Report on the performance of your Company for the Financial Year ended 31st March, 2019 together with Audited Financial Statements, Auditors' Report and Comments of the Comptroller and Auditor General of India.

PERFORMANCE DURING THE FINANCIAL YEAR 2018-19

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 (Accounts) Rules, 2014.

The overall financial performance for the financial year 2018-19 is highlighted below:

(₹ in Lakhs)

RESULTS OF OPERATIONS	For the year ended 31.3.2019	For the year ended 31.03.2018
Income from services rendered (Including adjustment of work-in-progress)	5291.40	5029.16
Expenditure	4380.52	3642.08
Operating profit	910.88	1387.08
Other Income	409.92	409.89
Profit before Tax	1320.80	1796.97
Provision for Taxation (incl. earlier years)		
Current Tax	407.57	592.81
Deferred Tax	(-) 22.63	(-) 40.89
Profit after Tax	935.86	1245.05
Other Comprehensive Income	6.57	6.52
(Net of Taxes)		
Total Comprehensive Income	942.43	1251.57

DIVIDEND

The Board of Directors of the Company have recommended for the financial year 2018-19, a final dividend of ₹ 350 Lakhs (9,00,000 equity shares of ₹ 100/- per share) in addition to ₹ 300 Lakhs (1,00,000 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 ₹ 650.00 Lakhs and dividend distribution tax of ₹ 133.61 Lakhs aggregating to total outflow of ₹ 783.61 Lakhs.

CHANGES IN SHARE CAPITAL

The Memorandum and Articles of Association of the Company were amended with the approval of the Shareholders in January, 2019 in order to enable the Company for issue of Bonus shares.

During the year, the Authorized Share Capital of the Company was increased from ₹ 2 Crores (2,00,000 Equity Shares of ₹ 100/- each) to ₹ 12 Crores (12,00,000 Equity Shares of ₹ 100/- each). Your Company issued bonus shares in the ratio of 8:1 in January, 2019. Consequently, the paid-up share capital increased from ₹ 1 Crore to ₹ 9 Crores (8,00,000 equity shares of ₹ 100/- each).

OPERATIONAL HIGHLIGHTS

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

Offshore Certification

- Oil & Natural Gas Corporation Limited(ONGC) Certification & Third party Inspection Services for Sagar Samrat Conversion Project (SSCP), Sagar Pragati Conversion Project(SPCON), Daman Development Project (DDP), Life extension of well platform project (Tender I & II)

Infrastructure

Third Party Inspection Services for

- Vadodara Municipal Corporation (VMC), Surat Municipal Corporation (SMC) and Rajkot Municipal Corporation (RMC)- TPI services for Infrastructure works for these corporations.
- Rajkot Urban Development Authority (RUDA) –Infrastructure Project of (RUDA)/RMC.
- Third Party Quality Audits for Cantonment Boards at Pune, Delhi, Amritsar, Ahmedabad, Firozpur, Dehradun, Kasauli, Khadki and Dehu Road.
- Third Party Inspection Services for Sardar Sarovar Narmada Nigam Ltd (SSNNL)

Pipelines

Gujarat State Petronet Limited (GSPL) – TPI services for various Pipeline Project viz :

- GITL : Barmer- Pali, Palanpur – Pali, Jalandhar – Amritsar Pipelines
- MBBVPL Phase I – RFCL Connectivity
- Vendor Assessment services for Gujarat State Petronet Limited/Gujarat Gas Limited/ GSPL India Gasnet Limited
- GAIL – Third Party Inspection at steel source or mills for GITL





- GSPL – TPI for Gana Compressor Project

Refineries & Petrochemicals

- BPCL – TPI and Expediting Services for BPCL – GTU Mumbai Refinery
- BORL – Expediting services
- HPCL - TPI services for O & M Group
- Technimont / KTI – Inspection services for HGU project at HPCL Mumbai
- Heurtey Petrochem – Third Party Inspection services at Ramagundam site
- BPCL – LPG Import terminal Haldia
- IOCL – TPI for Construction / Modernization of Marketing Terminal, Madurai & Tuticorin
- HMEL – Specialized NDT Inspection services at Bhatinda site.
- Deepak Phenolic : Third Party quality Audits
- Opal : Construction Quality Supervision services for its units at Dahej
- VTV : TPI at HPCL site and Dahej works (for Dangote Refinery)

Safety Audits

During the year, Emergency Response Disaster Management Plan (ERDMP) Certification Audit done for:

- Adani Gas Limited CGD Network in Ahmedabad and Vadodara.
Also, Pipeline Integrity Management System (IMS) Certification Audit done for:
- Natural gas pipeline network of GAIL(India) Limited, HVJ Pipeline, NCR Region, Kochi- Kottanad- Bangalore- Mangalore Phase - I pipeline, Ramgarh Region, Regional Pipeline Network Gujarat region, Maharashtra Region pipeline network
- CGD Network of Indraprastha Gas Limited in NCR region
- Prestart Safety Review of Gana Compressor station GSPL
- Fit For Purpose Certification of Natural Gas Grid Network pipeline of GSPL, Gujarat Approx 1200 KM

T4S Audit were undertaken for:

- TNGCL CGD Network in Agartala

Miscellaneous TPI services were provided for:

- Special Protection Group (SPG): Third Party Inspection of residential cum trailing complex for SPG at Dwarka, New Delhi
- Jindal Saw: Third Party Inspection of Pipes
- NLC – Third Party Inspection of Conveyor Belts

Railways

Following major assignments were undertaken during the year:

- Konkan Railway Corporation Limited (KRCL) – Quality Assurance Services for Udhampur-Shrinagar-Baramulla Rail Link (USBRL) Project
- Dedicated Freight Corridor Corporation (DFCC) – Inspection of steel web girder bridges for western corridor
- Maithon Power Limited – Inspection of steel web girder bridges for projects in Jharkhand

Steel

In this segment, services were provided for

- Rashtriya Ispat Nigam Limited (RINL) for TPI and Capacity assessment works.

Smart Cities

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

Technical Services

- Technical Services were also provided to EIL for its various ongoing projects

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

- Dedicated Freight Corridor Corporation (DFCC) – Inspection of Steel web Girder Bridges for Western Corridor
- Pune Smart City Development Corporation Limited (PSCDCL) – Third party Quality audits and site quality control inspection
- VMC, SMC & RMC – Infrastructure works for Vadodara Municipal Corporation and Surat Municipal Corporation & Rajkot Municipal Corporation.
- Technimont / KTI – Third Party Inspection services for HGU project at HPCL Mumbai Refinery
- Sardar Sarovar Narmada Nigam Ltd (SSNNL) – Third Party Inspection for underground pipeline
- BPCL – Expediting services for GTU project at Mumbai Refinery
- HPCL - Third Party inspection services for O&M Group of Mumbai Refinery
- OPaL – Construction supervision and quality control



SPG Complex
Dwarka, New Delhi

for Offsites and utilities

- GSPL / GITL – Third Party Inspection of various pipeline projects
- Fit For Purpose Certification Natural Gas Pipeline Grid Network, Gujarat State Petronet Limited (GSPL), Gujarat Approx 1500 KM
- Pre-Startup Safety Review audit of Gana Compressor Station Gujarat State Petronet Limited (GSPL).
- T4S Audit of Tripura Natural Gas Company Limited (TNGCL) CGD Network-Agartala.
- IMS Audit of Indraprastha Gas Limited (IGL) CGD Network in NCR & NCT
- External Safety Audit Natural Gas Pipeline Network, GSPL
- Fit For Purpose Certification of 22 no. intrafield pipeline of Mangala, Bhagyam, Aishwarya, Raageshwari field, Vedanta Limited -Cairn Oil & Gas
- ERDMP Certification of Torrent Power Limited DGEN Mega Power Plant dedicated gas pipeline from PLL Dahej to DGEN Power plant Dahej SEZ.
- Orders for Third Party Inspection Services through Public Health Engineering Department (PHED), Jammu & Kashmir, Mechanical Engineering Department, Govt of J&K, Srinagar, Irrigation Department, UP, Lucknow

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:

- Shri O.P.Mishra was appointed as Additional (Non-official Independent) Director w.e.f. 24.07.2018 in terms of Ministry of Petroleum & Natural Gas, Government of India, letter no.C-31033/2/2018-CA (22758) dated 24.07.2018.
- Shri Umesh Chandra Pandey ceased to be Non-official Independent Director of the Company w.e.f.

20.11.2018 due to completion of tenure of his appointment and in absence of any further orders of the Government.

- Dr. (Prof.) Mukesh Khare ceased to be Non-official Independent Director of the Company w.e.f. 20.11.2018 due to completion of tenure of his appointment and in absence of any further orders of the Government.
- Shri Sunil Bhatia, Director (Finance), EIL was appointed as Additional (Part-time) Director of the Company w.e.f. 17.05.2019 in place of Shri S. K. Handa.

Pursuant to the provisions of Companies Act, 2013, Shri O.P.Mishra, Non-official Independent Director and Shri Sunil Bhatia, Part-time Director who were appointed as Additional Director(s) shall vacate their office at the ensuing Annual General Meeting. Further, the Board recommends their appointment.

In accordance with the provisions of the Companies Act, 2013, Shri R.Mahajan, Part-time Director shall retire by rotation, at the ensuing Annual General Meeting of the Company, and being eligible, has offered himself for reappointment. Brief resume of the Directors seeking appointment/reappointment 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/chairmanships of Committees of the Board along with their shareholding in the Company etc. pursuant to the statutory requirements are given in the Annexure to Notice of 24th Annual General Meeting.

Your Board places on record its sincere appreciation for the valuable services rendered and contributions made by Shri Umesh Chandra Pandey, Dr. (Prof.) Mukesh Khare and Shri S. K. Handa during their tenure as Director(s) of the Company.

Key Managerial Personnel

Ms. Jaya Totlani was appointed as the Company Secretary of the Company w.e.f. 23rd May, 2018. Further, Shri G.D.Goswami was appointed as Chief Financial Officer (CFO) of the Company w.e.f. 12th April, 2019.

Change in Chief Executive Officer

During the year under review, Shri G.Suresh has assumed the charge of Chief Executive Officer(CEO) of the Company w.e.f. 1st February, 2019 consequent to the superannuation of Shri S. D. Kherdekar on 31.01.2019. The Board placed on record its appreciation for the valuable services rendered by Shri S. D. Kherdekar.

NUMBER OF MEETINGS OF THE BOARD

The Board met 4 times during the financial year 2018-19, 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 with a robust supporting risk management structure and framework 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.

CEIL observed the Vigilance Awareness Week from 29th October, 2018 to 3rd November, 2018 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 31st March, 2019, your Company had total manpower of 72. Regular employees were 70 and number of employees on deputation from EIL stood at 2.

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 on Strategic Human Resources was organized at IIM Lucknow for Senior level HR personnel. Finance team members participated in Management Development Program (MDP) at Faridabad. The technical session on Oil and Gas stream was also attended by our senior level technical member at NACE conference.

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 14.09.2018 and 'Hindi Fortnight' was organized from 14.09.2018 to 28.09.2018 in association 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: ₹ 31.11 Lakhs

(b) Total Foreign Exchange Outgo : ₹ 61.96 Lakhs

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) Rules, 2014. The CSR Policy is also available on the website of the Company i.e. <http://www.ceil.co.in>.

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 2018-19.

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.

During the financial year 2018-19, there were no material RPTs. Further, suitable disclosure as per statutory requirements has been given in the Notes to Financial Statements.

EXTRACT OF ANNUAL RETURN

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013, an Extract of the Annual Return in the prescribed form is annexed to this Report. The same is placed at 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 <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.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby submit its responsibility Statement:

- a) In the preparation of the annual accounts for the year ended March 31, 2019, 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) The Directors had 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) The Directors 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) The Directors have prepared the annual accounts on a

going concern basis;

- e) The Directors 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) The Directors have devised proper systems to ensure compliance with the provisions of the applicable laws and that such system were 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 31.3.2019, no application is pending under RTI Act, 2005.

BANKERS

The Bankers of the Company are Bank of India, Corporation Bank, State Bank of India, Indusind Bank Ltd., and Axis 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 confirms 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 03.09.2019. Important ingredients of our 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 sector for accreditation includes Fabricated metal products (IAF scope 17b), Machine and Equipment (IAF scope 18), Electrical Equipment (IAF Scope 19a), Gas Supply (IAF Scope 26), Engineering Services (IAF scope 34, ERDMP Certification).

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) approvals for following categories:

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). During the year, CEIL carried out ERDMP Audits ranging from Cross Country Natural Gas and crude Pipelines to Petrochemical Complex, LPG Recovery Units and Compressor Stations.

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, Petroleum and Petroleum product pipelines

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 inspection authority as well as competent authority for inspections under SMPV(U) Rules 1981.

STATUTORY AUDITORS

M/s VK Verma & Co., Chartered Accountants were appointed as Statutory Auditors of your Company for the Financial Year 2018-19 by the Office of the Comptroller & Auditor General of India.

COMPOSITION OF AUDIT COMMITTEE

The recommendations made by the Audit Committee during the financial year 2018-19 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

The Company has a Remuneration Committee and detailed disclosure in this regard has been given in the Corporate Governance Report which is annexed to this Report.

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 i.e. www.ceil.co.in.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from the Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and DPE Guidelines on Corporate Governance.

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 HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

During the financial year 2018-19, 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 2018-19:-

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

ACKNOWLEDGEMENTS

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.

For & on behalf of the Board of Directors

(J.C. Nakra)
Chairman
DIN: 07676468

Date: 23 July 2019
 Place: New Delhi

MANAGEMENT DISCUSSION & ANALYSIS REPORT

We have the pleasure of presenting you an analysis report covering the performance of the Company for the year 2018-19 and the future outlook.

BUSINESS OVERVIEW

During the financial year 2018 -19, your Company was able to secure business worth ₹ 47.88 Crores.

The order book as on 31.03.2019 was ₹ 31.25 Crores.

During the year, Company has secured major orders from Konkan Railway (KRCL), Vadodara Municipal Corporation (VMC), Surat Municipal Corporation (SMC), Opal, Dedicated Freight Corridor Corporation (DFCC), GAIL, GSPL, GITL, Pune Smart City Development Corporation Limited (PSCDCL), Technimont / KTI, Sardar Sarovar Narmada Nigam Ltd (SSNNL) and from other esteemed clients like BPCL, HPCL, Cantonment Boards etc. There has also been a growth in order book for ERDMP and safety audits besides Third Party Inspection Services for J&K Govt, UP irrigation and regular clients. Technical services to parent Company EIL for their ongoing projects continued.

BUSINESS ENVIRONMENT AND FUTURE OUTLOOK

With a growing response to diversification in sectors like Railways, Infrastructure, Smart Cities coupled with upcoming Oil and Gas sector projects in Onshore as well as Offshore, the unexecuted portion of order book comprises of orders from ONGC, Vadodara Mahanagar

Seva Sadan, Surat Municipal Corporation, GSPL, GIGL, GITL, KRCL, Technimont, Pune Smart City Development Corporation, SSNNL, Vizag Steel Plant, BPCL, AFCONS, IOCL, GSPL, SPG, RUDA, EIL 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 growth. Technical services to parent Company EIL will also continue.

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 Pipelines, Railways, Affordable Housing, Infrastructure, Nuclear, Fertilizers, Power etc.

FINANCIAL PERFORMANCE

During the financial year, the income from services rendered by the Company has increased to ₹ 52.91 Crores from ₹ 50.29 Crores in the previous year, which is 5.2% more than the previous year.

Profit before tax has decreased from ₹ 17.97 Crores in the previous year to ₹ 13.21 Crores in the current year, which is 26.4% less than the previous year. Similarly, Profit after tax has decreased from ₹ 12.45 Crores in the previous year to ₹ 9.36 Crores in the current year which is 24.8% less than the previous year. The above said decrease is primarily on account of change in revenue mix in a highly competitive business scenario.





MBBYPL- Phase - I
RFCL Connectivity

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 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.

Memorandum of Understanding (MoU) with Engineers India Limited

Your Company has signed MOU with EIL for the financial year 2019-20 on 12.06.2019.

SIGNIFICANT INITIATIVES

In order to meet the challenges of continuing changes in 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 Railways, Defence, Infrastructure, Nuclear, Fertilizer etc. Number of initiatives have also been taken for improvement in systems and processes, HR and for training & recruitment.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES, INDUSTRIAL RELATION FRONT

Strength of regular employees, including employees on deputation from EIL, was 72 during the year. 30 Man days training was imparted to employees during the year through 10 nos. training programs.

Your Company intends to pursue domain specific training related to electrical equipment, NACE, CSWIP 3.1 and CSWIP 3.2, Inspection of weld joints by Phased Array Ultrasonic Testing (PAUT) 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. Company's commitment to quality and timely execution of certification and third party inspection activities, coupled with proper marketing initiatives has helped the Company to achieve significant order book. Executive Staff in the Marketing Department has been increased. Surveyors are motivated to discuss with the clients and suppliers during the inspection visit and inform the potential leads to marketing department.

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 surveyors 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 2018–19, CSR activity was done at Viddya Utkarsh Mandal, CBD Belapur by providing water purifiers and water coolers, for their school in order to have hygienic and purified drinking water for their school children coming from local poor families.



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 2018-19

1) A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

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:

- i) Poverty and hunger eradication
- ii) Education
- iii) Health Care
- iv) Drinking Water/Sanitation facility
- v) Gender equality and women empowerment
- vi) Environment Protection

The web link for CSR project or programme and policy is given at <http://www.ceil.co.in>.

2) Composition of CSR and SD Committee

The details regarding composition of CSR and SD Committee are given in the Corporate Governance Report annexed to the Directors' Report.

3) Average Net Profit of the Company for the last three financial years was ₹15.93 Crores

4) Prescribed CSR Expenditure (2% of the amount as in item 3 above) is ₹31.87 Lakhs

5) Details of amount spent towards CSR during the financial year 2018-19

- a) Total amount to be spent for the financial year 2018-19 was ₹31.87 Lakhs
- b) Amount unspent, if any – ₹30.04 Lakhs
- c) Manner in which the amounts spent towards CSR during the financial year 2018-19.

Sr. No			Project or Programs [1] Local area or other[2] Specify the State and district where projects or programs was undertaken	Amount outlay [budget] project or programs wise	Amount spent on the projects or programs Sub -heads: [1] Direct Expenditure on projects or programs. [2] Overheads:	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency
1	To support/sponsor Vidya Utkarsh Mandal(VUM) by providing water purifiers and water coolers for their Marathi medium school to have hygienic and drinking water facility for school children belonging to local poor class society.	Education/ Drinking Water/ Sanitation facility	Local Area	₹ 2,46,500/-	Direct on project	₹ 1,83,500/- [Amount spent this FY]	Through VUM etc

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report –

CEIL provided the CSR budget of ₹ 31.87 Lakhs in 2018-19. CEIL has carried forward ₹ 34.19 Lakhs unspent budget from financial year 2017-18. Against the aforementioned amount, CEIL spent ₹ 1,83,500/- towards the Education/Drinking Water/Sanitation facility.

The broad reason for not spending the current CSR budget is as under:

DPE vide OM dated 10th December, 2018 prescribed the guidelines for CSR Expenditure of CPSEs, for giving new direction on spending of CSR fund. Due to the said guidelines, CEIL started to make efforts on theme based CSR project, keeping in view our thrust areas i.e. our commitment for operating Company's core business in a socially responsible way by taking into consideration the wider interests of the community and the environment, with a vision of promoting sustainable development. However, suitable CSR programme could not be identified/finalized for implementation. For the FY 2018-19, the CSR funds that were unspent in the financial year 2018-19, despite being allocated, for the reasons mentioned above are being carried forward to the next year and will be rightfully spent/ reallocated as the case may be.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR Committee confirms that the implementation and monitoring of CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

G. Suresh, Chief Executive Officer

O. P. Mishra, Chairman, CSR Committee

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	U74899DL1994GOI062371
ii)	Registration Date	26.10.1994
iii)	Name of the Company	Certification Engineers International Limited
iv)	Category/Sub-Category of the Company	Public Limited Company (Limited by Shares)- Govt. of India Undertaking
v)	Address of the Registered office and contact details	Engineers India Bhawan, 1, Bhikaiji Cama Place, New Delhi-110066 Tel:011-26762121, Fax: 011-26164868, 26186245 Email: ceil.del@eil.co.in, Website: www.ceil.co.in
vi)	Whether shares listed on recognized Stock Exchange(s)	No
vii)	Name, Address and contact details of Registrar & Transfer Agents (RTA) if any :- N.A.	

II. PRINCIPAL BUSINESS ACTIVITIES OF THE Company

Sl.No.	Name and Description of main products /services	NIC Code of the Product/service	% to total turnover of the Company
1	Certification/Re-certification & Third Party Inspection Services	Not Applicable	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl.No.	Name and address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Engineers India Limited Engineers India Bhawan, 1, Bhikaiji Cama Place, New Delhi-110066.	L74899DL1965GOI004352	Holding Company	100	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

The shareholding pattern of the Company as on 31.03.2019 is as follows:-

Sl.No.	Name of Shareholder	Number of Equity Shares of ₹ 100 each	% of issued Capital
1	Shri Jagdish Chander Nakra, Part-time Chairman (C&MD, Engineers India Ltd, Holding Company)	45*	0.005%
2	Shri V.C.Bhandari, Director (HR), Engineers India Ltd.	45*	0.005%
3	Shri Rakesh Kumar Sabharwal, Director (Commercial), Engineers India Ltd.	45*	0.005%
4	Shri S.K.Handa, Part-time Director Director (Projects), Engineers India Ltd.	45*	0.005%

5	Shri Amitabh Budhiraja, Part-time Director Executive Director, Engineers India Ltd.	72*	0.008%
6	Shri R.Mahajan, Part-time Director ED (Projects), Engineers India Ltd.	45*	0.005%
7	Shri S.D.Kherdekar	40*	0.004%
8	Shri G.Suresh, CEO, CEIL	5*	0.0005%
9	Engineers India Ltd., Holding Company	899658	99.962%

* These shares are held by these officials on behalf of Engineers India Limited and the beneficiary interest lies with Engineers India Limited in respect of these shares.

V. INDEBTEDNESS :

The Company is a debt-free Company.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Director (WTD) and/or Manager: NIL

B. Remuneration to other directors:

Name of Directors	Particulars of remuneration-Sitting Fees
Dr. (Prof.) Mukesh Khare	₹ 105000
Shri Umesh Chandra Pandey	₹ 105000
Shri O.P.Mishra	₹ 105000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD :-

The Company does not have Managing Director/Manager/Whole time Director. Further, Chief Executive Officer of the Company is on deputation from EIL (Holding Company), the salary for which is paid by Engineers India Limited. EIL raises monthly bills on the basis of manhour cost as per agreement with the Company which are accounted for as professional charges, under the head "Manpower Services."

The Company has appointed Company Secretary of the Company w.e.f.23.05.2018. The details of remuneration are as follows:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel (Company Secretary)
1	Gross Salary	
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	Rs. 8,88,595
	b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	—
	c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	—
2	Stock Option	—
3	Sweat Equity	—
4	Commission	—
	-as % of profit	—
	-others	—
5	Others	—
	Total	Rs. 8,88,595

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.

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.

We believe, 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 nine.

As on March 31, 2019, CEIL is having 5 Directors on its Board comprising of 4(four) Part-time Directors including Chairman and 1(one) Non-official Part-time Independent Directors nominated by Ministry of Petroleum & Natural Gas, Government of India.

b) Number of Board Meetings

The Board of Directors met 4 times during the financial year 2018-19. The details of the Board Meetings are as under:

S.No	Date of Meeting	Place	Board Strength	No. of Directors Present
1	May 23, 2018	New Delhi	6	5
2	August 10, 2018	New Delhi	7	7
3	October 30, 2018	New Delhi	7	7
4	January 25, 2019	New Delhi	5	5

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 2018-2019 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 28.08.2018	Other Directorships	Other Committee Memberships	Other Committee Chairmanships
A) Part time Directors –From Holding Company, EIL					
I) Present Directors					
Shri Jagdish Chander Nakra, Chairman	4	YES	2	–	–
Shri S.K. Handa	4	NO	1	1	–
Shri R. Mahajan	4	YES	0	–	–
Shri Amitabh Budhiraja*	3	YES	0	–	–
II) Past Directors					
Shri L.K.Vijh**	0	NO	–	–	–
B) Non-Official Part-time Independent Director					
I) Present Directors					
Shri O.P.Mishra***	3	NO	1	–	–
II) Past Directors					
Dr. (Prof.) Mukesh Khare****	3	YES	–	1	–
Shri Umesh Chandra Pandey*****	3	YES	–	–	1

Remarks:

* Shri Amitabh Budhiraja was appointed as Director w.e.f.04.06.2018.

** Shri L.K.Vijh ceased to be Director w.e.f. 04.06.2018.

***Shri O.P.Mishra was appointed as Non-official independent Director w.e.f. 24.07.2018.

****Dr. (Prof.) Mukesh Khare ceased to be Director w.e.f. 20.11.2018.

*****Shri Umesh Chandra Pandey ceased to be Director w.e.f. 20.11.2018.

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 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/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, 2019.

Place: New Delhi
Date : 31.03.2019

(G.Suresh)
Chief Executive Officer

f) Separate Meetings of Independent Directors

A separate Meeting of the Independent Directors was held on 30.10.2018 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. All the Independent Directors attended the separate Meeting. This Meeting assessed the quality, quantity and timeliness of flow of information necessary for the Board to effectively and reasonably perform their duties.

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 Annual General Meeting.

3. Audit Committee

As on March 31, 2019, the Audit Committee comprises of Shri O. P. Mishra, Non-official Independent Director as Chairman, Shri S.K.Handa and Shri R.Mahajan as members. The Audit Committee was reconstituted during the year due to the following:

- Shri Umesh Chandra Pandey ceased to be Chairman and member w.e.f. 20.11.2018
- Dr. (Prof.) Mukesh Khare ceased to be member w.e.f. 20.11.2018
- Shri O.P.Mishra was inducted as member w.e.f. 10.08.2018 and nominated as Chairman w.e.f. 19.01.2019
- Shri R.Mahajan was inducted as member w.e.f. 19.01.2019

The terms of reference/scope, role and powers etc. of the Audit Committee are in accordance with DPE Guidelines on Corporate Government for CPSEs. The details of meetings held during the financial year 2018-19 and the

attendance of the Members is given below:

S.No.	Date of Meeting	Name	Chairman/Member	Attendance
1	23.05.2018	Shri Umesh Chandra Pandey Dr. (Prof.) Mukesh Khare Shri S.K.Handa	Chairman Member Member	Present Present Present
2	10.08.2018	Shri Umesh Chandra Pandey Dr. (Prof.) Mukesh Khare Shri S.K. Handa	Chairman Member Member	Present Present Present
3	30.10.2018	Shri Umesh Chandra Pandey Dr. (Prof.) Mukesh Khare Shri O.P.Mishra Shri S.K. Handa	Chairman Member Member Member	Present Present Present Present
4	25.01.2019	Shri O.P.Mishra Shri S.K. Handa Shri R.Mahajan	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 26th November, 2008 regarding pay revision of CPSE executives. As on March 31, 2019, the Remuneration Committee comprises of Shri O.P.Mishra, Nonofficial Independent Director as Chairman, Shri R.Mahajan and Shri Amitabh Budhiraja as Members. The Remuneration Committee was reconstituted during the year due to the following:

- Dr. (Prof.) Mukesh Khare ceased to be Chairman and member w.e.f. 20.11.2018.
- Shri Umesh Chandra Pandey ceased to be member w.e.f. 20.11.2018.
- Shri Amitabh Budhiraja was nominated as member w.e.f. 10.08.2018.
- Shri O.P.Mishra was inducted as Chairman and Member w.e.f. 19.01.2019.

The details of meeting held during the financial year 2018-19 and the attendance of the Members is given below:

SI.No.	Date of Meeting	Name	Chairman/Member	Attendance
1	25.01.2019	Shri O.P.Mishra Shri R.Mahajan Shri Amitabh Budhiraja	Chairman Member Member	Present Present Present

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 2018-19 are given below:-

Name of Non-official Part-time Independent Director	Sitting Fees*		Total
	Board Meeting	Committee Meeting	
Shri Umesh Chandra Pandey	45000	60000	105000
Dr. (Prof.) Mukesh Khare	45000	60000	105000
Shri O.P.Mishra	45000	60000	105000

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

6. CSR and SD Committee of the Board

The CSR and SD Committee of the Board has been constituted to deliberate and decide on the matters as per defined scope of the Committee. As on March 31, 2019, the CSR and SD Committee comprises of Shri O.P.Mishra, Non-official Independent Director as Chairman, Shri S.K.Handa and Shri R.Mahajan as Members. The CSR and SD Committee of the Board was reconstituted during the year due to the following:

- Shri Umesh Chandra Pandey ceased to be Chairman and member w.e.f. 20.11.2018.
- Dr. (Prof.) Mukesh Khare ceased to be member w.e.f. 20.11.2018.
- Shri O.P.Mishra was inducted as Chairman and Member w.e.f. 19.01.2019.

The details of meetings held during the financial year 2018-19 and the attendance of the Members is given below:

Sl.No.	Date of Meeting	Name	Chairman/Member	Attendance
1	10.08.2018	Shri Umesh Chandra Pandey Dr. (Prof.) Mukesh Khare Shri S.K.Handa Shri R.Mahajan	Chairman Member Member Member	Present Present Present Present
2	15.02.2019	Shri O.P.Mishra Shri S.K.Handa Shri R.Mahajan	Chairman Member Member	Present Present Present

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.

The Board of Directors in their 112th Meeting held on 25.01.2019 decided to discontinue the Risk Management Committee of the Board, which was formed by the Board of Directors in their 103rd Meeting held on 08.08.2017. Further, the risk aspects in the form of agenda note should be brought to the Board on six monthly basis along with the Agenda on Financial Results.

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
21 st	2015-16	EIB, 1, Bhikaiji Cama Place, New Delhi-110066.	22.08.2016	3.00 p.m.
22 nd	2016-17	EIB, 1, Bhikaiji Cama Place, New Delhi-110066.	28.08.2017	3.00 p.m.
23 rd	2017-18	EIB, 1, Bhikaiji Cama Place, New Delhi-110066.	28.08.2018	3.00 p.m.

ii) Details of Special resolutions passed at last three AGMs

AGM	Details of Special Resolutions Passed
21 st	Nil
22 nd	Nil
23 rd	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 2018-19, an Extra-ordinary General Meeting of the Members was held on 25.01.2019 regarding the following matters:

- a) Increase in Authorized Share Capital of the Company and amendment in Capital Clause in the Memorandum of Association of the Company.
- b) Amendment in Article 6 of Articles of Association of the Company.
- c) Issue of bonus shares by way of Capitalization of reserves of the Company.

11. Disclosures

- i) Details of transactions between the Company and its holding Company, associates, key managerial personnel during the financial year 2018-19 are given in Note 35 of the Notes to Accounts for the year ended 31st March, 2019. 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 mandatory requirements of DPE Guidelines on Corporate Governance for CPSEs except the Composition of Board of Directors with respect to Full time functional Directors and Number of independent Directors (from 20.11.2018 to 31.03.2019).
- v) During the last three years, one Presidential Directive has been received by the Company in FY 2018-19:- Presidential Directive on Pay Revision of Board and below Board level Executives and non-unionised supervisors in CPSEs w.e.f. 01.01.2017 dated 08.10.2018.
- vi) No Expenditures were debited in the Books of Accounts during the Financial Year 2018-19 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 20.83% of the total expenses in the Financial Year 2018-19 as against 20.85% during the Financial Year 2017-18.
- ix) None of the Directors of the Company are inter-se related as on 31st March, 2019.
- x) None of the Non-offical Part-time Independent Directors hold any equity shares of the Company as on 31st March, 2019.

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 Company has ensured to remain in the regime of unqualified financial statements.

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/Company.html>. 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 Board of Directors of CEIL in their 112th Meeting held on 25th January, 2019 approved the Vigil Mechanism Policy/Whistle Blower Policy. The same is placed on the website of the Company i.e. www.ceil.co.in.

16. General Information

i) Annual General Meeting

Day and Date	Thursday, 29 th August, 2019
Time	04:00 pm
Venue	EIB, 1, Bhikaiji 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 ₹ 350 Lakhs (9,00,000 equity shares @ ₹ 100/- each) for the Financial Year ended 31st March, 2019 subject to approval of Shareholders in the ensuing Annual General Meeting. This was in addition to the Interim Dividend of ₹ 300 Lakhs (1,00,000 equity shares @ ₹ 100/- each) paid in January, 2019.

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 V K Verma & Co. Chartered Accounts
 C-37, Connaught Place, New Delhi-110001.

Date: 23 July 2019
 Place: New Delhi

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

We, G. Suresh, Chief Executive Officer and G.D. Goswami, 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, 2019.
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.

G. Suresh
Chief Executive Officer

GD Goswami
Chief Financial Officer

Place: New Delhi
Date: May 10, 2019

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 31st March, 2019 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.

Auditors' 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 ended 31st March, 2019.
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 Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, subject to the clause (a) to (b) mentioned below, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned 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:

- a) Composition of Board w.r.t number of Full-time Functional directors does not exist.
- b) Company does not have two Independent Directors as required by the Companies Act, 2013 in its Board since 20th November, 2018 and also as per sec. 177 of the Companies Act, 2013 there should be minimum two Independent Directors in the Audit Committee.

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 whose hands, it may come without our prior consent in writing.

FOR V. K. VERMA & CO.

Chartered Accountants
Firms Reg. No. 000386N

CA VIVEK KUMAR
Partner

Membership No.: 503826

Place: New Delhi
Dated: 10.05.2019

Management's Reply to Auditor's Report on Corporate Governance (2018-19)

AUDITOR'S COMMENT	MANAGEMENT'S REPLY
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.
Company does not have two Independent Directors as required by the Companies Act, 2013 in its Board since 20 th November, 2018 and also as per section 177 of the Companies Act, 2013, there should be minimum two Independent Directors in the Audit Committee.	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 Financial Statements

Opinion

We have audited the standalone accompanying financial statements of **Certification Engineers International Limited** which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement for the year, the statement of Changes in Equity for the year ended on 31st March, 2019 and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March 2019, and profit (including other comprehensive income), its cash flow and the changes in equity for the year ended on that date.

Basis for Opinion

We have conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are Independent of the Company in accordance with the Code Of Ethics issued by the Institute of Chartered accountants of India (ICAI) together with the ethical requirement that are relevant to our audit of the 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters 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 Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rules issued thereunder.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease Operations, or has no realistic alternative but to do so. The Board of Directors are 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 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 internal control.
- Obtain an understanding of Internal Financial Controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order"), issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(5) of the Act, we have considered the directions and sub-directions

issued by the Comptroller and Auditor General of India .We give our report in the attached Annexure “A-1”.

3. As required by section 143(3) of the Act ,based on our audit we report that :

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, 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 standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31,2019 taken on record by the Board Of Directors, none of the Directors are disqualified as on March 31,2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure- B”.
- g) With respect to other matters to be included in Auditors Report in accordance with Rule 11 of Companies (Audit and Auditors) 2014, as amended in our opinion and to best of our information and explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note No. 36.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR V K VERMA & CO.
Chartered Accountants
Firm Reg. No. 000386N

CA VIVEK KUMAR
Partner
Membership No.503826

Place: New Delhi
Dated: 10.05.2019

Annexure- A to the Auditors' Report

- i. The Annexure referred to in independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2019, we report that:
 - a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company's fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us on the basis of our examination of the records of the Company, the lease deed in respect of leasehold building is held in the name of the Company.
- ii.
 - (a) The Company being a service Company does not have inventory of raw material or finished goods, the work in progress is on account of "continuing service projects" for which bills have not been raised. Inventory consists of stock of office stationary. Physical verification of inventory of stationary has been conducted at reasonable intervals by the management.
 - (b) Procedures for physical verification of inventory(of stationary) followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business. There are no inadequacies in such procedures that should be reported.
 - (c) Company is maintaining proper records of inventory stationary & stores. No material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Thus, paragraph 3(iii) of the order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 & 186 of the Companies Act 2013, with respect to the loans & investments made.
- v. The Company has not accepted any deposits within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder.
- vi. According to information and explanation given to us, the central government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii.
 - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in deposition of undisputed statutory dues including provident fund, Goods and Services Tax(GST), sales tax, Value added tax, duty of customs, service tax, cess and other material statutory dues except for some delays in deposition of profession tax and Provident fund. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. No undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess, goods and services tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us and on the examination of records of the Company, there are no dues of provident fund, ESI, sales tax, duty of customs, excise, value added tax, cess and any other statutory dues which have not been deposited with the appropriate authorities on account of any dispute except for service tax and income tax.

The details for the same are hereunder:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Service Tax, as per Finance Act, 1994	Show Cause Notice cum Demand of service Tax	1015.12*	April 2004 to March 2013	CESTAT
Income Tax Act, 1961	Penalty Order	1.22	AY 2011-12	Commissioner of Income Tax (Appeals)

*Inclusive of interest and penalty.

- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the order is not applicable.
- ix. The Company did not raise any money by way of initial public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company paid/ provided for managerial remuneration in accordance with the requisite approvals mandate by the provisions of section 197 read with schedule V to the act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. 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.

FOR V K VERMA & CO.
Chartered Accountants
Firm Reg. No. 000386N

Place: New Delhi
Dated: 10.05.2019

CA VIVEK KUMAR
Partner
Membership No.503826

SUPPLEMENTARY- DIRECTIONS TO THE STATUTORY AUDITORS

Sr. No.	Directions	Reply
1	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, processing of all the accounting transactions of CEIL are being done 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.
2	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's inability to repay the loan? If yes, the financial impact may be stated.	The Company (CEIL) has not taken any loan from any lender. Therefore, there is no case of restructuring of any existing loan or cases of waiver /write-off of debts/loans/interest etc. made by a lender to the Company during the year 2018-19.
3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/ utilised as per its term and conditions? List the cases of deviation.	Not applicable to the Company (CEIL) as no funds received/receivable by it for specific schemes from Central/State agencies.

FOR V K VERMA & CO.
Chartered Accountants
Firm Reg. No. 000386N

Place: New Delhi
Dated: 10.05.2019

CA VIVEK KUMAR
Partner
Membership No.503826

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 31 March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Control

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 Control over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls 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 Control 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 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 authorisation 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 Ind AS 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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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 V K VERMA & CO.
Chartered Accountants
Firm Reg. No. 000386N

Place: New Delhi
Dated: 10.05.2019

CA VIVEK KUMAR
Partner
Membership No.503826

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of M/s Certification Engineers International Ltd, for the year ended 31st March 2019 in accordance with the directions/ sub directions issued by the comptroller and auditor general 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 V K VERMA & CO.

Chartered Accountants

Firm Reg. No. 000386N

Place: New Delhi

Dated: 10.05.2019

CA VIVEK KUMAR

Partner

Membership No.503826

Balance Sheet As At 31 March 2019

PARTICULARS	Note No.	(₹In Lakhs)	
		AS AT 31 March 2019	AS AT 31 March 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	224.69	215.89
Other Intangible Assets	5	1.34	0.94
Financial Assets			
Loans	6A	6.82	10.01
Other Financial Assets	7A	0.39	60.11
Deferred Tax Assets (Net)	8	218.52	198.60
Non-Current Tax Assets (Net)	9	307.49	218.55
Other Non-Current Assets	10A	0.08	0.41
Total Non-Current Assets		759.33	704.51
Current Assets			
Inventories	11	4.17	2.53
Financial Assets			
Investments	12	284.38	-
Loans	6B	396.20	267.99
Trade Receivables	13	1,469.86	1,802.12
Cash and Cash Equivalents	14	67.75	575.06
Other Bank Balances	15	5,380.84	5,075.81
Other Financial Assets	7B	448.09	397.23
Other Current Assets	10B	65.10	82.42
Total Current Assets		8,116.39	8,203.16
Total Assets		8,875.72	8,907.67
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	900.00	100.00
Other Equity	17	6,773.93	7,415.11
Total Equity		7,673.93	7,515.11
Non-Current Liabilities			
Financial Liabilities			
Other Financial Liabilities	18A	3.19	0.88
Other Non-Current Liabilities	19A	0.05	0.03
Long-Term Provisions	20A	452.16	488.11
Total Non-Current Liabilities		455.40	489.02
Current Liabilities			
Financial Liabilities			
Trade Payables	21		
Total outstndng dues of Micro Enterprises and small enterprises		20.21	61.32

Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		110.81	185.00
Other Financial Liabilities	18B	100.97	317.81
Other Current Liabilities	19B	475.56	191.30
Short-Term Provisions	20B	38.84	34.23
Current Tax Liabilities (Net)	22	-	113.88
Total Current Liabilities		746.39	903.54
Total Equity and Liabilities		8,875.72	8,907.67

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements 1 to 48
This is the balance sheet referred to in our report of even date

For V. K. VERMA & CO.
Chartered Accountants
Firm Regn. No. 000386N

For and on behalf of Certification Engineers International Limited

Vivek Kumar
Partner
Membership No. 503826
FRN No. 000386N

(J. TOTLANI)	(G D GOSWAMI)	(G.SURESH)	(J.C. NAKRA)
Company Secretary	Chief Financial Officer	Chief Executive Officer	Chairman
PAN : BGIPK9258H	PAN : ACHPG1489J	PAN : AGLPS8759H	DIN : 07676468

Place : New Delhi
Date : May 10, 2019

Statement Of Profit And Loss For The Year Ended 31 March 2019

PARTICULARS	Note No.	(₹ In Lakhs)	
		31 March 2019	31 March 2018
REVENUE			
Income From Services	23	5,291.40	5,029.16
Other Income	24	409.92	409.89
Total Revenue		5,701.32	5,439.05
EXPENSES			
Manpower Services	25	869.51	1,044.80
Employee Benefits Expenses	26	2,537.73	1,493.30
Finance Costs	27	0.32	1.26
Depreciation and Amortisation Expenses	28	13.42	16.81
Other Expenses			
Facilities	29A	153.82	148.10
Corporate Costs	29B	77.46	53.07
Other Costs	29C	728.26	884.74
Total Expenses		4,380.52	3,642.08
Profit Before Tax		1,320.80	1,796.97
Tax Expense			
Current Tax (Including Earlier Years)	30	407.57	592.81
Deferred Tax		(22.63)	(40.89)
Profit For The Year		935.86	1,245.05
Other Comprehensive Income			
Items that will not be reclassified to profit and loss			
Re-measurement gains (losses)			
on defined benefit plans		9.27	9.20
Income tax relating to items that will not			
be reclassified to profit and loss		(2.70)	(2.68)
Total Comprehensive Income For The Year		942.43	1,251.57
Earnings Per Equity Share (Face Value ₹ 100 Per Share)	31		
Basic (₹)		103.98	138.34
Diluted (₹)		103.98	138.34

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

1 to 48

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

For V.K.VERMA & CO.
Chartered Accountants
Firm Regn. No. 000386N

For and on behalf of Certification Engineers International Limited

Vivek Kumar
Partner
Membership No. 503826

(J. TOTLANI)
Company Secretary
PAN : BGIPK9258H

(G D GOSWAMI)
Chief Financial Officer
PAN : ACHPG1489J

(G.SURESH)
Chief Executive Officer
PAN : AGLPS8759H

(J.C. NAKRA)
Chairman
DIN : 07676468

Place : New Delhi

Date : May 10, 2019

Statement Of Changes In Equity As At 31 March 2019

A Equity Share Capital*

(₹ In Lakhs)

Particulars	Opening Balance As At 1 April 2017	Issue Of Equity Share Capital During The Year	Redemption Of Equity Share Capital During The Year	Balance As At 31 March 2018	Changes in Equity Share Capital During The Year (Issue of Bonus Shares)	Redemption Of Equity Share Capital During The Year	Balance As At 31 March 2019
Equity Share Capital	100.00	-	-	100.00	800.00	-	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)	
Balance as at 31 March 2017	5,816.33	1,147.56	36.34	5.81	7,006.04
Profit for the year	-	1,245.05	-	-	1,245.05
Other comprehensive income	-	-	-	6.52	6.52
Dividend (including tax impact)	-	(842.50)	-	-	(842.50)
Transfer from statement of profit and loss	-	-	-	-	-
Transfer from retained earnings	726.31	(755.13)	28.82	-	-
Transfer to retained earnings	-	30.97	(30.97)	-	-
Balance as at 31 March 2018	6,542.64	825.95	34.19	12.33	7,415.11
Profit for the year	-	935.86	-	-	935.86
Other comprehensive income	-	-	-	6.57	6.57
Dividend (including tax impact)	-	(783.61)	-	-	(783.61)
Transfer from statement of profit and loss	-	-	-	-	-
Bonus issue of shares	(800.00)	-	-	-	(800.00)
Transfer from retained earnings	404.01	(435.88)	31.87	-	-
Transfer to retained earnings	-	1.84	(1.84)	-	-
Balance as at 31 March 2019	6,146.65	544.16	64.22	18.90	6,773.93

*Refer note 16 for details

*Refer note 17 for details

For V.K.VERMA & CO.
Chartered Accountants
Firm Regn. No. 000386N

For and on behalf of Certification Engineers International Limited

Vivek Kumar
Partner
Membership No. 503826

(J. TOTLANI) Company Secretary PAN : BGIPK9258H	(G D GOSWAMI) Chief Financial Officer PAN : ACHPG1489J	(G.SURESH) Chief Executive Officer PAN : AGLPS8759H	(J.C. NAKRA) Chairman DIN : 07676468
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Place : New Delhi
Date : May 10, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

PARTICULARS	(₹ In Lakhs)	
	31 March 2019	31 March 2018
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	1,320.80	1,796.97
Adjustments for:		
Depreciation and Amortisation Expenses	13.42	16.81
Provision For Employee Benefits	(22.07)	87.82
Provision For Doubtful Receivables	120.04	138.78
Interest Income and Amortised Income On		
Security Deposit	(396.77)	(391.39)
Interest Expense	0.32	1.26
Dividend Income	(9.85)	(18.08)
Capital (Gain) / Loss On Sale Of Mutual Funds	(0.01)	0.09
Operating Profit Before Working Capital Changes	1,025.88	1,632.26
Movement In Working Capital		
Decrease/(Increase) In Trade Receivables	212.22	(216.95)
Decrease/(Increase) In Inventories	(1.64)	0.95
Decrease/(Increase) In Other Current and		
Non-Current Assets	17.65	(10.56)
Increase In Loans	(125.02)	(1.27)
Decrease/(Increase) In Other Current		
Financial Assets	(50.86)	(56.66)
(Decrease)/Increase In Other Current and		
Non-Current Liabilities	284.28	(8.77)
(Decrease)/Increase In Other Current Financial		
and Non-Financial Liabilities	(329.83)	265.65
Cash Flow From Operating Activities Post		
Working Capital Changes	1,032.68	1,604.65
Income Tax Paid (Net)	(610.39)	(481.07)
Net Cash Flow From Operating Activities (A)	422.29	1,123.58
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase Of Property, Plants, Equipements and		
Intangible Assets (Net)	(22.62)	(11.71)
Movement In Current Investments (Net)	(284.37)	256.95
Investment In Bank Deposits (Net)	(245.31)	(499.27)
Interest Received	396.77	391.39
Dividend Received	9.85	18.08
Net Cash Flows Used In Investing Activities (B)	(145.68)	155.44
C CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend Paid (Including Tax)	(783.61)	(842.50)
Interest Paid	(0.32)	(1.26)
Net Cash Used In Financing Activities (C)	(783.93)	(843.76)

Increase In Cash And Cash Equivalents (A+B+C)	(507.31)	435.26
Cash And Cash Equivalents At The Begining Of The Year	575.06	139.80
Cash And Cash Equivalents At The End Of The Year	67.75	575.06

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

For V.K.VERMA & CO
Chartered Accountants
Firm Regn. No. 000386N

For and on behalf of Certification Engineers International Limited

Vivek Kumar
Partner
Membership No. 503826

(J. TOTLANI)
Company Secretary
PAN : BGIPK9258H

(G D GOSWAMI)
Chief Financial Officer
PAN : ACHPG1489J

(G.SURESH)
Chief Executive Officer
PAN : AGLPS8759H

(J.C. NAKRA)
Chairman
DIN : 07676468

Place : New Delhi
Date : May 10, 2019

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2019

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, re certification, 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 E.I. Bhawan, 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 Group has uniformly applied the accounting policies during the period presented.

The financial statements for the year ended 31 March 2019 were authorized and approved for issue by the Board of Directors on 10th May, 2019.

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

Effective April 1, 2018, the Company adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method and accordingly comparatives for the previous periods is not retrospectively adjusted. The effect of adoption of Ind AS 115 Revenue from contract with customers on the accounts of the Company for the year ended 31 March 2019 is insignificant.

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 there fore, 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 re translated 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 'IndAS 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-recognised 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 IndAS 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 lumpsum 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 neither recognized nor disclosed. 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 sick) 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. are 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. RECENT ACCOUNTING PRONOUNCEMENT

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116- Leases: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases effective from April 1, 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Ind AS 12 - Income Taxes- Appendix C, Uncertainty over Income Taxes Treatment: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 12, Appendix C, Uncertainty over Income Taxes Treatment. The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 12 - Income Taxes- Amendment to Ind AS 12: On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued amendments in Ind AS 12, in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

O. 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.

P. 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 Lumpsum 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.

Notes To The Financial Statements For The Year Ended 31 March 2019

Note - 4

Property, Plant And Equipment

Particulars	Vehicles	Office Equipments	Leasehold Property*	Air Conditioner	Computer Hardware	Furniture And Fixtures	Library Books	Total
Balance as at 31 March 2017	3.24	5.60	202.08	6.98	17.24	22.96	0.19	258.29
Additions	-	0.07	-	-	10.41	-	0.10	10.58
Disposals/assets written off	-	-	-	-	-	(0.14)	-	(0.14)
Balance as at 31 March 2018	3.24	5.67	202.08	6.98	27.65	22.82	0.29	268.73
Additions	-	1.83			18.09	1.62	0.15	21.69
Disposals/assets written off	-				(1.40)			(1.40)
Balance as at 31 March 2019	3.24	7.50	202.08	6.98	44.34	24.44	0.44	289.02
Accumulated Depreciation								
Balance as at 31 March 2017	1.30	3.57	7.76	4.03	8.73	10.92	0.19	36.50
Charge For The Year	0.65	0.50	3.87	1.73	4.70	4.92	0.10	16.47
Adjustments For Disposals	-	-	-	-	-	(0.13)	-	(0.13)
Balance as at 31 March 2018	1.95	4.07	11.63	5.76	13.43	15.71	0.29	52.84
Charge For The Year	0.65	0.67	3.87	0.02	6.79	0.72	0.15	12.87
Adjustments For Disposals	-	-	-	-	(1.38)		-	(1.38)
Balance as at 31 March 2019	2.60	4.74	15.50	5.78	18.84	16.43	0.44	64.33
Net Book Value as at 31 March 2018	1.29	1.60	190.45	1.22	14.22	7.11	-	215.89
Net Book Value as at 31 March 2019	0.64	2.76	186.58	1.20	25.50	8.01	-	224.69

*Acquired from CIDCO Limited on 60 years lease basis

(I) Contractual obligations :

Refer to note 36(ii) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Notes To The Financial Statements For The Year Ended 31 March 2019

Note - 5

Intangible Assets

(₹ In Lakhs)

Gross Carrying Amount	Computer Software	Total
Balance as at 31 March 2017	1.99	1.99
Additions	1.14	1.14
Disposals/Assets Written Off	-	-
Balance as at 31 March 2018	3.13	3.13
Additions	0.95	0.95
Disposals/Assets Written Off	-	-
Balance as at 31 March 2019	4.08	4.08
Accumulated Amortisation		
Balance as at 31 March 2017	1.85	1.85
Amortisation Charge For The Year	0.34	0.34
Adjustments For Disposals	-	-
Balance as at 31 March 2018	2.19	2.19
Amortisation Charge For The Year	0.55	0.55
Adjustments For Disposals	-	-
Balance as at 31 March 2019	2.74	2.74
Net Book Value as at 31 March 2018	0.94	0.94
Net Book Value as at 31 March 2019	1.34	1.34

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Notes To The Financial Statements For The Year Ended 31 March 2019

		(₹ In Lakhs)	
		31 March 2019	31 March 2018
Note - 6			
A	Loans - Non-Current		
	Unsecured, Considered Good Unless Otherwise Stated		
	Security Deposit	6.82	10.01
		6.82	10.01
B	Loans - Current		
	Unsecured, Considered Good Unless Otherwise Stated		
	Loans To Employees	53.88	12.46
	Security Deposit	342.32	255.53
		396.20	267.99
Note - 7			
A	Other Financial Assets - Non-Current		
	Term Deposits With Maturity Exceeding One Year*	0.39	60.11
		0.39	60.11
*Includes bank deposits held under lien against bank guarantees of ₹ 0.39 Lakhs (previous year 31 March 2018: ₹ 53.90 lakhs)The above also includes interest accrued on bank deposits of ₹ 0.02 Lakhs (previous year 31 March 2018 ₹ 6.20 lakhs)			
B	Other Financial Assets - Current		
	Unbilled Income	446.63	392.93
	Work In Progress*	1.46	4.30
		448.09	397.23
*As taken, valued and certified by Management			
Note - 8		Deferred	
Assets (Net)			
Deferred Tax Assets Arising On:			
Employee Benefits:			
	Provision for leave encashment	143.74	113.81
	Provision for long service awards	5.50	5.23
	Provision for gratuity	-	33.06
	Provision for employee related expenses allowed on payment basis	0.17	3.89
	Provision for doubtful receivables	103.71	68.76
Others:			
	Amortised cost financial instruments	0.43	0.33
Deferred Tax Liabilities Arising On:			
	Depreciation	(28.77)	(26.48)
	Provision for gratuity	(6.26)	-
		218.52	198.60

Movement In Deferred Tax Assets And Liabilities

Particulars	1 April 2017	Recognised In Other Comprehensive Income	Recognised In Statement Of Profit And Loss	31 March 2018	Recognised In Other Comprehensive Income	Recognised In Statement Of Profit And Loss	31 March 2019
Assets							
Employee Benefits	156.97	(2.68)	1.70	155.99	(2.70)	(3.88)	149.41
Trade Receivables	33.65	-	35.11	68.76	-	34.95	103.71
Others	0.88	-	(0.55)	0.33	-	0.10	0.43
Liabilities							
Depreciation	(31.11)	-	4.63	(26.48)	-	(2.29)	(28.77)
Employee Benefits	-	-	-	-	-	(6.26)	(6.26)
	160.39	(2.68)	40.89	198.60	(2.70)	22.63	218.52

Note - 9

Non-Current Tax Assets (Net)

Advance Income Tax (net of provision for taxation amounting to ₹ 2110.63 (previous year 31 March 2018: ₹ 1703.06 lakhs)

Advance Fringe Benefit Tax

295.66	206.72
11.83	11.83
307.49	218.55

Note - 10

A Other Non-Current Assets

Prepaid Expenses

0.08	0.41
0.08	0.41

B Other Current Assets

Balance With Government Authorities

Prepaid Expense

54.53	76.75
10.57	5.67
65.10	82.42

Note - 11

Inventories (Lower Of Cost Or Net Realizable Value)

Stores, Spares And Chemicals In Hand

4.17	2.53
4.17	2.53

Note - 12

Investments

UTI Treasury Advantage Fund (face value ₹ 1000 per unit)*

284.38	-
284.38	-

* At 31 March 2019 28370.891 units(previous year : 31 March 2018: Zero units)

Note - 13**Trade Receivables (Unsecured)**

Trade Receivable	1,469.86	1,802.12
Considered Good	356.15	236.11
Considered Doubtful	1,826.01	2,038.23
Less: Provision For Doubtful Receivables	(356.15)	(236.11)
	1,469.86	1,802.12

Note - 14**Cash And Cash Equivalents**

Balances With Banks In Current Account	67.74	242.05
Bank Deposits having maturity of less than three months	-	333.00
Cash On Hand	0.01	0.01
	67.75	575.06

Note - 15**Other Bank Balances**

Balances with banks in deposits account having maturity of more than three months but are due for maturity within twelve months*	5,380.84	5,075.81
	5,380.84	5,075.81

*Includes ` 95.61 Lakhs (previous year 31 March 2018: ` 120.82 Lakhs) held under lien against bank guarantees.

*Includes interest accrued on bank deposits ` 270.76 lakhs (previous year 31 March 2018 : ` 240.09 lakhs)

Note - 16**Share Capital**

	Amount	Amount
Authorised Share Capital		
1,200,000 (previous year 31 March 2018 : 200,000) equity shares of par value of ` 100 each	1,200.00	200.00
	1,200.00	200.00

Issued Share Capital

900,000 (previous year 31 March 2018 : 100,000) equity shares of par value of ` 100 each	900.00	100.00
	900.00	100.00

Subscribed And Paid Up*

900,000 (previous year 31 March 2018 : 100,000) equity shares of par value of ` 100 each	900.00	100.00
	900.00	100.00

*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**

	Number	Number
Shares Outstanding At The Beginning Of The Year	100,000	100,000
Add : Bonus Shares Issued During The Year	800,000	-
Shares Outstanding At The End Of The Year	900,000	100,000

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

Name Of Shareholders	Number	Number
Engineers India Limited	900,000	100,000
Shareholding (%)	100%	100%

Note - 17

Reserves And Surplus

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 and provisions of Companies Act, 2013 and rules made thereunder.

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 - 18

Other Financial Liabilities - Non-Current

A	Security Deposits And Retentions	3.19	0.88
		3.19	0.88
B	Other Financial Liabilities - Current		
	Security Deposits And Retentions	37.22	51.87
	Accrued Employee Benefits	63.75	265.94
		100.97	317.81

Note - 19

A Other Non-Current Liabilities

Deferred Income	0.05	0.03
	0.05	0.03

B Other Current Liabilities

Advances Received From Clients	8.35	14.51
Deferred Income	0.33	0.20
Unearned Income Billed To Clients	202.54	16.52
Service Tax /GST Payable	70.20	81.98
Withholding For Income Taxes	123.17	18.37
Withholding For Employees Including Employers Contribution	20.85	22.87
Other Liabilities	50.12	36.85
	475.56	191.30

Note - 20

A Long-Term Provisions

Employees' Post Retirement/Long-Term Benefits	452.16	488.11
---	--------	--------

B Short-Term Provisions

Employees' Post Retirement/Long-Term Benefits	38.84	34.23
	38.84	34.23

Note - 21

Trade Payables

Total outstanding dues of Micro Enterprises and Small Enterprises	20.21	61.32
---	-------	-------

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

110.81	185.00
131.02	246.32

Note - 22**Current Tax Liabilities (Net)**

Provision for taxation (net of advance tax amounting to ` NIL (previous year 31 March 2018 : ₹ 478.12 lakhs)

-	113.88
-	113.88

Note - 23**Revenue From Operations**

Income From Services

31 March 2019	31 March 2018
5,294.24	5,025.56
5,294.24	5,025.56

Increase/(Decrease) In Work-In-Progress

Closing Work-In-Progress

Less : Opening Work-In-Progress

1.46	4.30
4.30	0.70
(2.84)	3.60
5,291.40	5,029.16

Note - 24**Other Income**

Interest Income

Bank Deposits

Income-Tax Refunds

Others - Misc

Amortization of Deferred Income

Capital Gain On Sale Of Mutual Fund Units

Dividend From Current Investments

Foreign Exchange Difference (Net)

Bad Debts Recovery

Income From Sale of Assets

390.94	353.79
-	23.18
0.04	0.02
5.79	14.40
0.01	-
9.85	18.08
1.10	0.38
1.75	-
0.44	0.04
409.92	409.89

Note - 25**Manpower Services**

Manpower Services

869.51	1,044.80
869.51	1,044.80

Note - 26**Employee Benefits Expenses**

Salaries And Allowances

Contribution towards employees pension and provident fund and administration charges thereon

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

Staff Welfare

Contribution to Gratuity Fund (Net of contribution received from others)

2,080.37	1,361.70
119.04	93.91
306.94	-
7.86	6.95
23.52	30.74
2,537.73	1,493.30

Note - 27**Finance Cost**

Unwinding of Discount on Security Deposits

0.32	1.26
0.32	1.26

Note - 28**Depreciation And Amortisation Expenses**

Depreciation On Property, Plant And Equipment

Amortisation Of Intangible Assets

12.87	16.47
0.55	0.34
13.42	16.81

Note - 29

Other Expenses

A Facilities Cost

Rent - Residential Accommodation

(Net of Recovery of ₹4.66 lakhs

(previous year: ₹ 5.14 lakhs))

40.48 44.86

Rental Expense

6.95 14.28

Rent - Office

44.07 27.38

Electricity And Water

20.13 18.79

Repairs To Building

3.80 8.22

Other Repairs And Maintenance

31.93 26.18

Hire Charges - Office Equipment

3.11 3.06

Insurance

3.35 5.33

153.82 148.10

B Corporate Cost

Bank Charges

0.42 1.13

Sitting Fees To Independent Directors

3.15 4.10

Publicity

5.59 16.69

Entertainment

15.95 12.93

Remuneration To Auditors:

For Audit

3.00 2.50

For Tax Audit

0.60 0.50

Certification

0.23 0.40

Out of Pocket

4.02 1.69

Filing Fee

7.71 0.06

Legal And Professional Charges

4.49 2.25

Licences And Taxes

32.30 10.82

77.46 53.07

C Other Cost

Travel And Conveyance

573.20 642.26

Printing, Stationery And General Office Supplies

7.16 9.28

Newspapers And Periodicals

0.16 0.10

Postage And Telecommunications

16.96 19.15

Capital Loss on sale of MF Units

- 0.09

Courier, Transportation And Handling

2.73 2.51

Provision For Doubtful Receivables

120.04 138.78

Amounts Written Off

- 29.46

Corporate Social Responsibility Expenditure

1.84 30.97

Miscellaneous Expenses

3.55 7.51

Training Expenses

2.62 4.63

728.26 884.74

Corporate social responsibility expenses

The requisite disclosure relating to CSR expenditure in terms on Guidance Note on Corporate Social Responsibility (CSR) issued by Institute of Chartered Accountants of India:

(a) Gross amount required to be spent by the Company during financial year ended 2018-19 - ₹ 31.87 lakhs (previous year: ₹ 28.82 lakhs)

(b) Amount spent during the financial year ended 31 March 2019 and 31 March 2018 on:

Particulars		In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	31 March 2019	-	-	-
	31 March 2018	-	-	-
On purposes other than (i) above	31 March 2019	1.84	-	1.84
	31 March 2018	30.97	-	30.97

Note - 30**Income Tax**

Tax Expense Comprises Of:

Current Income Tax (Including Earlier Years Impact)

407.57

592.81

Deferred Tax

(22.63)

(40.89)

Income Tax Expense Reported In The Statement Of Profit Or Loss**384.94****551.92**

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 29.12% and the reported tax expense in profit or loss are as follows:

Statement Of Profit And Loss

Accounting Profit Before Tax

1,320.80

1,796.97

Accounting Profit Before Income Tax**1,320.80****1,796.97**

At India's Statutory Income Tax Rate of 29.120%

(31 March 2018: 28.840%)

384.62

518.25

Adjustments In Respect Of Current Income Tax

Tax Impact Of Exempted Income

(2.87)

(5.21)

Tax Impact Of Expenses Which Will Never Be Allowed

1.10

9.82

Earlier Years Tax Impact

-

0.81

Others

2.09

28.25

384.94**551.92****Note - 31****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.

The shareholders of the Company in their Extra Ordinary General Meeting held on 25th January 2019 approved the issue of bonus shares in the ratio of 8:1, i.e. Eight new equity share of ₹ 100 each for one existing fully paid up equity share of ₹ 100 each held. The issue and allotment of 8,00,000 bonus shares was made by Company on 25 January 2019. Post allotment of bonus shares, Company's share capital consist of 9,00,000 equity shares of ₹ 100 each amounting to ₹ 900 lakhs. Accordingly, as per requirement of Ind AS 33, the basic and diluted earnings per share for the year ended 31 March 2019 and 31 March 2018 has been computed on the basis of new numbers shares post bonus issue i.e. 9,00,000 equity shares of ₹ 100 each

	31 March 2019	31 March 2018
Profit Attributable To Equity Shareholders	935.86	1,245.05
Weighted Average Number Of Equity Shares	900,000	900,000
Nominal Value Per Share (₹)	100.00	100.00
Earnings Per Equity Share		
Basic	103.98	138.34
Diluted	103.98	138.34

Notes To The Financial Statements For The Year Ended 31 March 2019

Note - 32

(I) 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.

(ii) Financial assets measured at fair value – recurring fair value measurements

(₹ In Lakhs)

31 March 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual funds	284.38	-	-	284.38
Total financial assets	284.38	-	-	284.38

Financial assets measured at fair value – recurring fair value measurements

(₹ In Lakhs)

31 March 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual funds	-	-	-	-
Total financial assets	-	-	-	-

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include - the use of net asset value for mutual funds on the basis of the statement received from investee party.

Note - 33

Financial instruments

I) Financial instruments by category

(₹ In Lakhs)

	31 March 2019		31 March 2018	
Particulars	FVTPL	Amortised	FVTPL	Amortised
Financial assets				
Investments - mutual funds	284.38	-	-	-
Trade receivables	-	1,469.86	-	1,802.12
Loans	-	53.88	-	12.46
Other financial assets	-	448.09	-	397.23
Cash and cash equivalents	-	67.75	-	575.06
Other bank balances	-	5,381.23	-	5,135.92
Security deposits	-	349.14	-	265.54
Total financial assets	284.38	7,769.95	-	8,188.33
Financial liabilities				
Trade payables	-	131.02	-	246.32
Security deposits and retentions	-	40.41	-	52.75
Other financial liabilities	-	63.75	-	265.94
Total financial liabilities	-	235.18	-	565.01

(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)

	Particulars	31 March 2019	31 March 2018
A: Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	7,698.18	7,952.22
B: Moderate credit risk	Trade receivable	177.78	143.36
C: High credit risk	Trade receivables	178.37	92.75

ii) Concentration of trade receivables

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

(₹ In Lakhs)

Particulars	31 March 2019	31 March 2018
Hydrocarbon	706.21	616.84
Infrastructure	841.43	849.43
Railways	257.88	272.06
Others	20.49	299.90
Total	1,826.01	2,038.23

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 2019

(₹ In Lakhs)

	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	67.75	-	67.75
Other bank balances	5,381.23	-	5,381.23
Loans	53.88	-	53.88
Other financial assets	1,081.61	-	1,081.61

31 March 2018

(₹ In Lakhs)

	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	575.06	-	575.06
Other bank balances	5,135.92	-	5,135.92
Loans	12.46	-	12.46
Other financial assets	662.77	-	662.77

(ii) Expected credit loss for trade receivables under simplified approach

31 March 2019

(₹ In Lakhs)

Particulars	0 - 90 Days	90 - 180 Days	180 - 270 Days	270 - 360 Days	360 - 450 Days	450 - 540 Days
Gross carrying value	851.84	228.58	112.52	67.63	104.13	46.87
Expected credit loss (provision)	27.69	6.64	13.24	5.35	16.83	30.10
Carrying amount (net of impairment)	824.15	221.94	99.28	62.28	87.30	16.77

Particulars	540 - 630 Days	630 - 720 Days	720 - 1095 Days	>1095 Days
Gross carrying value	4.50	36.13	195.44	178.37
Expected credit loss (provision)	1.46	2.18	74.29	178.37
Carrying amount (net of impairment)	3.04	33.95	121.15	-

31 March 2018

(₹ In Lakhs)

Particulars	0 - 90 Days	90 - 180 Days	180 - 270 Days	270 - 360 Days	360 - 450 Days	450 - 540 Days
Gross carrying value	1,185.57	171.52	131.53	115.06	59.45	72.41
Expected credit loss (provision)	23.34	7.88	1.72	9.34	11.11	30.92
Carrying amount (net of impairment)	1,162.23	163.64	129.81	105.72	48.34	41.49

Particulars	540 - 630 Days	630 - 720 Days	720 - 1095 Days	>1095 Days
Gross carrying value	39.89	78.65	91.40	92.75
Expected credit loss (provision)	21.64	0.94	36.47	92.75
Carrying amount (net of impairment)	18.25	77.71	54.93	-

Reconciliation of loss provision – lifetime expected credit losses

(₹ In Lakhs)

Reconciliation of loss allowance	Trade receivables
Loss allowance on 31 March 2017	97.33
Impairment loss recognised/reversed during the year	138.78
Loss allowance on 31 March 2018	236.11
Impairment loss recognised/reversed during the year	120.04
Loss allowance on 31 March 2019	356.15

(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 2019	Less than 1 year	1 - 2 years	2 - 3 years	Total
Non-derivatives				
Trade payable	131.02	-	-	131.02
Security deposits and retentions	37.22	3.19	-	40.41
Other financial liabilities	63.75	-	-	63.75
Total	231.99	3.19	-	235.18

(₹ In Lakhs)

31 March 2018	Less than 1 year	1 - 2 years	2 - 3 years	Total
Non-derivatives				
Trade payable	246.32	-	-	246.32
Security deposits and retentions	51.87	0.88	-	52.75
Other financial liabilities	265.94	-	-	265.94
Total	564.13	0.88	-	565.01

(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 March 2019			31 March 2018		
	USD	EURO	GBP	USD	EURO	GBP
Trade receivables	0.96	0.38	1.63	0.38	0.00	0.02

Sensitivity

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

Particulars	31 March 2019			31 March 2018		
	USD	EURO	GBP	USD	EURO	GBP
Currency sensitivity						
Currency increase by 1%	0.01	-	0.02	-	-	-
Currency decrease by 1%	(0.01)	-	(0.02)	-	-	-

(ii) Price risk

The Company's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments in mutual funds, the Company diversifies its portfolio of assets.

Sensitivity analysis

Profit or loss and equity is sensitive to higher/lower prices of instruments on the Company's profit for the periods -

Particulars	31 March 2019	31 March 2018
Price sensitivity		
Price increase by (3 %)- FVTPL	8.53	-
Price decrease by (3 %)- FVTPL	(8.53)	-

Note – 34**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 follows

	31 March 2019	(₹ In Lakhs) 31 March 2018
Equity share capital	900.00	100.00
Other equity	6773.93	7415.11
Net debt to equity ratio		

The Company has no outstanding debt as at the end of the respective years. Accordingly, the Company has nil capital gearing ratio as at 31 March 2019 and 31 March 2018.

Note – 35
Related Party

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

Serial Number	Name of the Related Party		Nature of Relationship
1	Engineers India Limited ('EIL')		Holding Company
	Directors/Key Management Personnel (31 March 2019)		
2	Mr. J.C. Nakra	Chairman	Chairman and Managing Director in Engineers India Limited
	Mr. Om Prakash Mishra	Non-official Independent Director (From 24.07.2018)	-
	Dr. (Prof.) Mukesh Khare	Director (Upto 19.11.2018)	Non-official Independent Director in Engineers India Limited
	Mr. Umesh Chandra Pandey	Director (Upto 19.11.2018)	Non-official Independent Director in Engineers India Limited
	Mr. S K Handa	Director	Director (Projects) in Engineers India Limited w.e.f. 11.03.2019.
	Mr. L K Vijh	Director (Upto 03.06.2018)	Director (Technical) in Engineers India Limited w.e.f. 02.05.2018.
	Mr. R Mahajan	Director	Executive Director in Engineers India Limited
	Mr. Amitabh Budhiraja	Director (From 04.06.2018)	Executive Director in Engineers India Limited
	Mr. S D Kherdekar	Chief Executive Officer (Upto 31.01.2019)	Executive Director in Engineers India Limited
	Mr. G Suresh	Chief Executive Officer (From 01.02.2019)	Senior GM in Engineers India Limited
	Ms. Jaya Totlani	Company Secretary (From 23.5.2018)	-

3	Directors/Key Management Personnel (31 March 2018)		
	Mr. J.C. Nakra	Chairman(From 12th February'2018)	Chairman and Managing Director in Engineers India Limited
	Mr. A.N.Deshpande	Chairman (From 01st November'2017 to 31st January'2018)	Director (Technical) and Addl. Charge of Chairman and Managing Director in Engineers India Limited
	Mr. Sanjay Gupta	Chairman(Upto 31st October' 2017)	Chairman and Managing Director in Engineers India Limited
	Dr. (Prof.) Mukesh Khare	Director	Director (Government Nominee) in Engineers India Limited
	Mr. Umesh Chandra Pandey	Director	Director (Government Nominee) in Engineers India Limited
	Mr. S K Handa	Director	Executive Director in Engineers India Limited
	Mr. L K Vijh	Director	Executive Director in Engineers India Limited
	Mr. R Mahajan	Director	Executive Director in Engineers India Limited
	Mr. R K Garg	Director (Upto 30th June'2017)	Executive Director in Engineers India Limited
	Mr. S D Kherdekar	Chief Executive Officer	Executive Director in Engineers India Limited

(b) Related Party Transactions

During the year ended 31 March 2019, the Company had following transactions and outstanding balances with related parties:

(₹ In Lakhs)				
Particulars	Relationship	Year	Amount	(Payable)/Receivable
Professional and technical services and facilities	Holding Company	31 March 2019	280.45	(34.93)
		31 March 2018	265.00	(24.91)
Execution of contract for Services	Holding Company	31 March 2019	1901.81	391.49*
		31 March 2018	1130.04	309.90*
Dividend (interim and final)	Holding Company	31 March 2019	650.00	-
		31 March 2018	700.00	-

*includes security deposit of ₹ 26.68 Lakhs and ₹ 26.68 Lakhs as 31.03.2019 and 31.03.2018 respectively.

(c) Director's remuneration:

Sitting fees paid to part time Directors for 31 March 2019 is ₹ 3.15 Lakhs (Previous year 31 March 2018: ₹ 4.10 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".

(e) Transactions and balances pertaining to Company Secretary (KMP)

(₹ in Lakhs)

Particulars	31 March 2019	31 March 2018
Transaction during the year		
Remuneration	8.89	NIL
Balance as at year end		
Outstanding loans, interest and other receivables	NIL	NIL

Defined Benefit obligation for Company Secretary (Key Management Personnel) :-

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Total Defined Benefit Obligation	0.39	--	0.67	—	0.09	--

Note – 36

Contingent Liabilities and Commitments

i) Contingent Liabilities:

- Income Tax assessments have been completed up to the assessment year 2016-2017. Tax liability, if any, in respect of pending assessment for subsequent assessment years up to assessment year 2018-19 cannot be ascertained. Due taxes on self-assessment basis have been paid.
- The Company has filed an application for rectification (u/s 154) of short credit given for Tax Deducted at Source (TDS) and other processing mistakes amounting to ₹ 42.63 Lakhs (Previous Year ₹ 42.63 Lakhs) for the assessment year 2011-12.

- c) The Company has filed an application to keep the recovery proceedings for a penalty order of ₹ 1.22 Lakhs (Previous Year ₹ 1.22 Lakhs) dated 30 March 2017 pertaining to the assessment year 2011-12 in abeyance, since an appeal filed by Company is pending before ITAT against the order of CIT (Appeals) dated 04.06.2018
- d) The Company has filed an application for rectification (u/s 154) of short credit given for Tax Deducted at Source (TDS) amounting to ₹ 3.05 Lakhs (Previous Year ₹ 3.05 Lakhs) for the assessment year 2012-13.
- e) The Company has filed an application for rectification (u/s 154) of short credit given for Tax Deducted at Source (TDS) amounting to ₹ 84.52 Lakhs (Previous Year ₹ 84.52 Lakhs) for the assessment year 2013-14.
- f) The Company has filed an application for rectification (u/s 154) of short credit given for Tax Deducted at Source (TDS) and other processing mistakes amounting to ₹48.60 Lakhs (Previous Year ₹48.60 Lakhs) in intimation u/s 143(1) for the assessment year 2014-15.
- g) The Company has filed an application for rectification (u/s 154) of processing mistakes amounting to ₹ 63.24 Lakhs (inclusive of interest) (Previous Year ₹ 66.29 Lakhs (inclusive of interest)) in intimation u/s 143(1) for the assessment year 2016-17.
- h) The Company has filed an appeal against a demand of service tax of ₹ 1015.12 Lakhs (inclusive of interest and penalty) (Previous Year ₹ 976.73 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.

ii) Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided in accounts Nil Lakhs (Previous Year - ₹1.92 Lakhs Inclusive of applicable Taxes).

Note – 37

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 2019	31 March 2018
Contributory Provident Fund and Employees' Pension Scheme, 1995	119.04	93.91
Contributory National Pension System (NPS)	306.94	-

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, 2019 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)
	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Present value of obligations as at the end of year	331.02	296.35	493.62	390.83	18.90	17.97
Fair value of plan assets as at the end of the year	353.61	182.81	--	--	--	--
Amount Not Recognised due to asset limit	1.08	--	--	--	--	--
Funded status	21.51	(113.54)	(493.62)	(390.83)	(18.90)	(17.97)
Net (asset)/liability recognized in balance sheet	(21.51)	113.54	493.62	390.83	18.90	17.97

b) Expenses recognized in statement of profit and loss						(₹ In Lakhs)
	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Current service cost	15.05	23.70	76.96	85.21	3.23	2.53

Past service cost	--	--	--	(22.65)	--	--
Interest on net benefit asset/liability	8.47	7.04	29.27	23.33	1.28	1.21
Re-measurements gains/losses	--	--	141.02	53.85	0.52	(0.42)
Expenses recognized in statement of profit and loss	23.52	30.74	247.25	139.75	5.03	3.32

c) Expenses recognized in Other comprehensive income						(₹ In Lakhs)
	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Actuarial (gains)/loss	--	--	--	--	--	--
Change in financial assumption	--	(13.15)	--	--	--	--
Change in demographic assumption	(1.08)	(0.70)	--	--	--	--
Experience adjustments	1.30	5.37	--	--	--	--
Actual return on plan assets	(10.57)	(0.72)	--	--	--	--
Adjustments to recognise the effect of asset ceiling	1.08	--	--	--	--	--
Expenses recognized in other comprehensive income	(9.27)	(9.20)	--	--	--	--

d) Reconciliation of opening and closing balances of defined benefit obligation						(₹ In Lakhs)
	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Present value of obligations as at beginning of year	296.35	270.09	390.83	325.98	17.97	18.94
Interest cost	22.88	19.84	29.27	23.33	1.28	1.21
Current service cost	15.05	23.70	76.96	85.21	3.23	2.53
Past service cost	--	--	--	(22.65)	--	--

Actuarial (gain)/loss on obligations	0.22	(8.48)	141.02	53.85	0.52	(0.42)
Benefit paid	(3.48)	(8.81)	(144.46)	(74.89)	(4.10)	(4.30)
Present value of obligations as at end of year	331.02	296.35	493.62	390.83	18.90	17.97

e) Reconciliation of opening and closing balances of fair value of plan assets						(₹ In Lakhs)
	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Fair value of plan assets as on beginning of year	182.81	171.30	--	--	--	--
Interest on plan assets	14.41	12.81	--	--	--	--
Re-measurements due to actual return on plan assets less interest on plan assets	10.57	0.72	--	--	--	--
Contributions	149.29	6.79	--	--	--	--
Benefits paid	(3.48)	(8.81)	--	--	--	--
Fair value of plan assets at the end of year	353.61	182.81	--	--	--	--

f) Actuarial Assumptions						(₹ In Lakhs)
	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Discount rate	7.80%	7.80%	7.80%	7.80%	7.80%	7.80%
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	0.78%
41 – 50	1.3%
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)
	Gratuity (Funded)		Leave Encashment (Earned Leave) (Unfunded)		Leave Encashment (Half Pay Leave) (Unfunded)		Long Service Awards (Unfunded)	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Weighted average of the defined benefit obligation	14.17 Years	14.38 Years	9.53 Years	9.51 Years	7.61 years	7.82 years	5.89 Years	5.46 Years
Duration of defined benefit obligation								
Duration (years)								
1	4.48	6.06	26.14	22.06	11.98	9.17	0.73	3.00
2	24.34	6.35	38.02	22.00	12.25	9.31	2.82	0.66
3	5.10	25.94	26.12	34.87	11.73	9.46	0.84	2.35
4	5.08	6.64	26.47	21.30	12.00	8.97	5.03	0.75
5	5.35	6.38	26.96	21.20	12.27	9.12	2.42	4.40
6	5.98	6.08	27.68	21.16	12.57	9.30	0.61	2.04
7	6.33	6.39	28.31	21.52	12.86	9.48	2.16	0.55
8	7.00	6.57	29.05	21.84	13.16	9.68	0.72	1.79
9	26.21	6.89	30.48	22.21	13.47	9.88	4.14	0.64
Above 10	1101.22	1023.18	669.20	534.60	138.27	114.35	11.64	13.20

h) Major Categories of Plan Assets (as percentage of total plan assets)						
	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Fund managed by insurer	100%	100%	--	--	--	--

i) Sensitivity Analysis Gratuity (Funded)					(₹ In Lakhs)
Particulars	Discount rate		Salary escalation rate		
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	
Impact of increase in 50 bps on defined benefit obligation	-6.78%	-6.87%	1.74%	2.53%	
Impact of decrease in 50 bps on defined benefit obligation	7.42%	7.54%	-2.20%	-3.20%	

Leave Encashment (Earned Leave) (Unfunded)				
Particulars	Discount rate		Salary escalation rate	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Impact of increase in 50 bps on defined benefit obligation	-4.59%	-4.58%	4.87%	4.86%
Impact of decrease in 50 bps on defined benefit obligation	4.95%	4.94%	-4.57%	-4.56%

Leave Encashment (Half Pay Leave) (Unfunded)				
Particulars	Discount rate		Salary escalation rate	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Impact of increase in 50 bps on defined benefit obligation	-3.69%	-3.79%	3.86%	3.97%
Impact of decrease in 50 bps on defined benefit obligation	3.93%	4.04%	-3.67%	-3.77%

Long Service Awards (Unfunded)				
Particulars	Discount rate		Salary escalation rate	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Impact of increase in 50 bps on defined benefit obligation	-2.65%	-2.56%	-2.51%	-2.81%
Impact of decrease in 50 bps on defined benefit obligation	2.78%	2.68%	2.60%	2.57%

Note – 38**Proposed Dividend**

(₹ In Lakhs)

Proposed dividend on equity shares	31 March 2019	31 March 2018
Proposed Final dividend for 31 March 2019 (₹ 38.89 per share)-Post Bonus issue @ 8:1 (previous year 31 March 2018: ₹ 350 per share)	350	350
Dividend distribution tax on Proposed dividend	71.94	71.94
Total	421.94	421.94
Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as liability (including dividend distribution tax)		

Note – 39

CSR activity reserve amounting to ₹ 64.22 Lakhs for 31 March 2019 (Previous year 31 March 2018: ₹34.19 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 – 40

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

Note – 41

Liability in respect of ‘Performance Related Pay’, amounting to ₹ 30.06 Lakhs (previous year 31 March 2018: ₹ 71.32 Lakhs) for the employees for the year ended on 31 March 2019 has been estimated and provided based on scheme formulated in accordance with DPE guidelines, based upon certain ranking parameters.

Note – 42

Guarantees issued by banks and outstanding as on 31 March 2019 ₹ 455.28 Lakhs , inclusive of Expired BG of ₹ 23.43 Lakhs, (previous years 31 March 2018 ₹ 477.09 Lakhs, inclusive of Expired BG of ₹ 30.23 Lakhs).

Note – 43

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 – 44

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 Group is given below:

S. No.	Particulars	31 March 2019	31 March 2018
i	Amount due and payable at the year end		
	- Principal	20.21	61.32
	- Interest on above Principal	-	-
ii	The amount of interest paid along with the amounts of the payment after the due date-	-	-
iii	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 – 45

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 – 46

The details of revenue are as below:

(₹ In Lakhs)		
Particulars	31 March 2019	31 March 2018
Revenue from Operations	5291.40	5029.16
Other Income	409.92	409.89
Total Revenue	5701.32	5439.05

Note – 47

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 2019	31 March 2018
Trade Receivables (Note No. 13) – Net of Allowance for expected credit losses	1469.86	1802.12
Contract Assets (Unbilled Revenue) (Note No. 7 B)	446.63	392.93
Contract Liabilities (Income Received in Advance) (Note No. 19 B)	202.54	16.52

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, 2019, ₹ 392.93 Lakhs of unbilled revenue as of April 1, 2018 has been reclassified to Trade receivables upon billing to customers.

During the year ended March 31, 2019, the Company recognized revenue of ₹ 16.52 Lakhs arising from opening unearned revenue as of April 1, 2018.

During the year ended March 31, 2019, the Company recognised revenue of ₹ 4.30 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 2019 is ₹ 3124.56 Lakhs. Out of this, the Company expects to recognize revenue of around 35% within the next one year and the remaining thereafter.

Note – 48

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

For V.K.VERMA & CO.
Chartered Accountants
Firm Regn. No. 000386N

For and on behalf of Certification Engineers International Limited

Vivek Kumar
Partner
Membership No. 503826

(J. TOTLANI)	(G.D.GOSWAMI)	(G. SURESH)	(J.C.NAKRA)
Company Secretary	Chief Financial Officer	Chief Executive Officer	Chairman
PAN : BGIPK9258H	PAN : ACHPG1489J	PAN : AGLPS8759H	DIN : 07676468

Place : New Delhi
Date : May 10, 2019

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 2019.

The preparation of financial statements of Certification Engineers International Limited for the year ended 31 March 2019 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 10 May 2019.

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 2019 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 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 and Auditor General of India**



**(Nandana Munshi)
Director General of Commercial Audit
& ex-officio Member, Audit Board - II,
New Delhi**

Place: New Delhi

Date: 20.06.2019



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

Name of the Member/Proxy :
(In Block Letters)

Address of the Member/Proxy :

Regd. Folio No. :

DP Id* :

Client Id* :

No. of shares held :

I certify that I am a member/proxy for the member of the Company.

I, hereby record my presence at the 24th Annual General Meeting of the Company being held on **Thursday**, the **29th** day of **August**, 2019 at **04:00 pm** at E I Bhawan, 1, Bhikaiji Cama Place, New Delhi- 110066.

Please V in the box

MEMBER

PROXY

Member's / Proxy's Signature

1. Please fill and sign this attendance slip and hand it over at the Attendance Verification Counter at the venue of the Meeting.
2. **No Gifts, gift coupons or cash in lieu of gifts shall be distributed to Members in the Annual General Meeting or afterwards.**

* Applicable for shares held in electronic form.



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

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013
and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

NAME OF THE MEMBER (S) : REGISTERED ADDRESS :	E-MAIL ID: FOLIO NO/ *DP & CLIENT ID :
--	---

I/We, being the member(s) of shares of the above named Company, hereby appoint

- Name : Address
E-Mail ID Signature or failing him/her;
- Name : Address
E-Mail ID Signature or failing him/her;
- Name : Address
E-Mail ID Signature or failing him/her;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on **Thursday, the 29th day of August, 2019 at 04:00 pm** at E I Bhawan, 1, Bhikaiji Cama Place, New Delhi-110066 and at any adjournment thereof in respect of such resolution(s) as are indicated below :

Sl. No.	Resolution(s)	**For	**Against
	Ordinary Business:		
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31 st March, 2019, 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 2018-19.		
3.	To appoint a Director in place of Shri R. Mahajan (DIN 07262295), who retires by rotation and being eligible, offers himself for re-appointment.		
4.	To fix remuneration of Statutory Auditors of the Company for the financial year 2019-20.		
	Special Business:		
5.	To appoint Shri O.P. Mishra (DIN: 06407676) as Non-official Part-time Independent Director of the Company.		
6.	To appoint Shri Sunil Bhatia (DIN: 08259936) as Part-time Director of the Company.		

Signed this..... day of..... 2019

Signature of Shareholder

Affix
Revenue
Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

* Applicable for investors holding shares in electronic form

NOTES:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- A Proxy need not be member of the Company.
- For Resolutions, Statement pursuant to Section 102 of the Companies Act, 2013 and notes, please refer to the Notice of 24th Annual General Meeting.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- **5. This is only optional. Please put 'X' in the appropriate column against the resolutions indicated in the Box. If you leave 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Route Map - Venue of 24th AGM





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

CERTIFICATION ENGINEERS INTERNATIONAL LTD.

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

Head Office : Module No. D101-D106, First Floor, Tower No. 7,
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CBD Belapur, Navi Mumbai - 400 614
Tel. : 91-22-67958700 Fax : 91-22-67958702
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