



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)

26th ANNUAL REPORT 2020-21



A Third Eye to Ensure Quality



An ISO 9001 : 2015, 17020 Company
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The Mission

- 1 To achieve Customer Delight through constant value addition and innovation
- 1 To strive relentlessly, constantly improve ourselves, our team and our service to become the best
- 1 To attain uncompromised quality and integrity
- 1 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 risks.

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



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Rakesh Kumar Sabharwal | Chairman

Chairman's Statement

Dear Shareholders,

It gives me great pleasure to present the performance of your Company for the Financial Year 2020-21 and share its business plans and future outlook.

Time have changed. The world is struggling with COVID-19 pandemic which has profound impacts on economy and society throughout the world, changing how the people interact, learn, work and consume. In India also, COVID-19 pandemic has brutally exposed and worsened existing vulnerabilities in the Indian economy and severally impacted the health, lifespan and livelihood of the citizens. Recently, when it felt like the worst was over, unfortunately a second wave of Covid again gripped the country with even higher ferocity.

Your Company has already geared up itself to counter

the negative impact of pandemic on its business & operation and health of the employees. Many measures, systemic improvements and simplification have taken place to enable CEIL successfully face challenges caused by the pandemic. New norms have come into existence, like 'Work from Home', almost all interactions have got digitised in the form of webinars, video conferences etc. This new normal, may be the order of the day henceforth.

Your Company has completed 26 years of its journey, since its inception in 1994 and has maintained its niche position as one of the leading indigenous agency operating in critical domain of certification and recertification. 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 Oil and Gas, Government Infrastructure projects, Pipelines, Railways, Affordable Housing, Nuclear, Fertilizers, Power etc.

Your Company is committed to total customer satisfaction by providing cost effective, high quality services confirming to International standards.

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

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

In spite of prevailing covid situation, last year have been very good for CEIL as we have wrote several success stories in terms of order bookings, order secured, successful order execution and handsome financial figures.

On the financial front during 2020-21, your Company has registered a turnover of ` 49.11 Crores. In a highly competitive business scenario, your company has been able to earn profit after tax (PAT) of ` 11.23 Crores, an increase of 11.34 % over the last financial year.

Your Company was able to secure business worth ` 48.59 Crores during the year. With this, the total unexecuted order book as on March 31, 2021 stood at around ` 42.53 Crores.

Your Company is now looking towards leveraging corporate assets and expertise in order to increase revenues, growth in terms of business expansion, increasing profitability, development of new business opportunities and making strategic business decisions with a long term horizon so that we are in high growth sectors in the long run.

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 performance of services.

Your Company has been guided by a set of strong beliefs, right from the time it was founded. Belief in our core values, belief in putting the customer above all, belief in investing in people and empowering them, belief in constantly trying out new ideas and models, and belief in doing right by all the stakeholder communities we work with.

CEIL's workforce is its major asset, so CEIL is continuously improving the environment and facilities for its employees in order to keep their morale high and contented, improve living standard and healthy life style. Your Company is committed to foster a culture of positivity, performance, efficiency and productivity.

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 proposals and subsequent implementation in focus areas as per the approved policy.

We have entered FY 2022 with strong growth momentum and with much better visibility for future growth than we did last year, powered by a strong order book built up throughout the year.

Before I conclude, 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 grateful 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 all employees of CEIL for their dedication, commitment and continuous efforts to sustain the growth of the Company.

During this protracted pandemic, I request all members of CEIL's family and the country at large to stay safe and follow Covid safety protocol.

I wish you and your families prosperity and good health.

Warm regards,
Rakesh Kumar Sabharwal
Chairman

BOARD OF DIRECTORS



SHRI RAKESH KUMAR SABHARWAL
Part-time Chairman
(w.e.f. 01.02.2021)



SHRI J. C. NAKRA
Part-time Chairman
(Upto 31.01.2021)



SHRI OM PRAKASH MISHRA
Non-official Independent
Director
(Upto 23.07.2021)



SMT ANITA GURJAR
Non-official Independent
Director



SHRI SUNIL BHATIA
Part-time Director
(Upto 30.06.2021)



SHRI R. MAHAJAN
Part-time Director
(Upto 31.08.2020)



SHRI AMITABH BUDHIRAJA
Part-time Director



SHRI AVNEESH SAWHNEY
Part-time Director
(w.e.f. 01.09.2020)



SHRI SANJAY JINDAL
Part-time Director
(w.e.f. 30.06.2021)

Chief Executive Officer

SHRI G. SURESH

CORPORATE INFORMATION

COMPANY SECRETARY

Ms. Jaya Totlani

CHIEF FINANCIAL OFFICER

Shri Basant Kumar Das

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.

Union Bank of India

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

State Bank of India

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

Indusind Bank Ltd.

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

REGISTERED OFFICE

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

HEAD OFFICE

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

TEN YEARS' PERFORMANCE AT A GLANCE

(` In Lakhs)

PARTICULARS / YEARS	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016**	2016-2017	2017-2018	2018-2019	2019-20	2020-21
A. OPERATING STATISTICS										
Turnover*	2,992.04	2,843.13	2,763.00	3,440.43	3,756.34	3,818.26	5,029.16	5,291.40	4,921.12	4,911.00
Other Income	359.00	397.59	444.88	399.28	409.95	377.35	409.89	409.92	445.42	397.69
Expenditure	1,864.86	2,085.17	2,236.02	2,501.00	2,674.09	2,625.26	3,642.08	4,380.52	3,968.90	3,806.54
Prior Period Adj (Net)	-	19.62	13.81	-	-	-	-	-	-	-
Profit Before Tax	1,486.18	1,135.93	958.05	1,338.71	1,492.20	1,570.35	1,796.97	1,320.80	1,397.64	1,502.15
Tax	501.44	405.29	330.60	463.71	527.51	571.81	592.81	407.57	413.76	379.70
Earlier Years Tax Adjustments (Net)	-	-	-	-	-	-	-	-	(0.06)	-
Deferred Tax (Assets)/ Liability	(21.67)	(36.48)	(8.61)	(0.90)	(14.70)	(22.40)	(40.89)	(22.63)	(24.28)	(0.14)
Profit After Tax	1,006.41	767.12	636.06	875.90	979.39	1,020.94	1,245.05	935.86	1,008.22	1,122.59
Other Comprehensive Income					(9.65)	15.46	6.52	6.57	(41.70)	11.22
Total Comprehensive Income for the year					969.74	1,036.40	1,251.57	942.43	966.52	1,133.81
Dividend including Dividend Tax	406.77	466.44	467.98	540.88	541.61	601.79	842.50	783.61	779.99	927.00
B. FINANCIAL POSITION										
CAPITAL EMPLOYED	5,088.31	5,352.51	5,511.98	6,117.01	6,525.12	6,945.65	7,316.51	7,455.41	7,603.63	7,814.08
NON CURRENT ASSETS	609.27	789.31	859.19	764.58	826.84	756.17	704.51	759.33	867.70	808.86
CURRENT ASSETS	5,323.38	5,451.43	5,598.31	6,378.38	7,028.51	7,389.31	8,203.16	8,116.39	8,440.41	9,000.77
EQUITY & LIABILITIES										
i) Share Capital	100.00	100.00	100.00	100.00	100.00	100.00	100.00	900.00	900.00	900.00
ii) Other Equity	5,058.26	5,358.94	5,527.02	6,143.30	6,571.43	7,006.04	7,415.11	6,773.93	6,960.46	7,167.27
NON CURRENT LIABILITIES	157.14	209.22	245.64	294.19	405.14	421.71	489.02	455.40	624.53	722.27
CURRENT LIABILITIES	617.25	572.58	584.84	605.47	778.78	617.73	903.54	746.39	823.12	1,020.09
C. RATIOS										
PBT / Turnover(%)	49.67	39.95	34.67	38.91	39.72	41.13	35.73	24.96	28.40	30.59
PBT / Capital Employed(%)	29.21	21.22	17.38	21.89	22.87	22.61	24.56	17.72	18.38	19.22
PAT / Networth(%)	19.51	14.05	11.30	14.03	14.68	14.37	16.57	12.20	12.83	13.92
Turnover/ Net Worth (No. of Times)	0.58	0.52	0.49	0.55	0.56	0.54	0.67	0.69	0.63	0.61
Sundry Debtors/ Turnover (Month's Turnover)	3.80	5.09	4.74	4.89	4.98	5.42	4.30	3.33	4.72	4.04
Turnover / Total Assets (No. of Times)	0.50	0.46	0.43	0.48	0.48	0.47	0.56	0.60	0.53	0.50

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 26th Annual General Meeting of the Members of Certification Engineers International Limited will be held on Friday, the 17th day of September, 2021 at 3.00 p.m. through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), to transact the following business(s):-

ORDINARY BUSINESS(S):

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2021, 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 2020-21.
3. To appoint a Director in place of Shri Avneesh Sawhney (DIN: 08823346), 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 2021-22 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 2021-22."

SPECIAL BUSINESS(S):

5. To appoint Shri Rakesh Kumar Sabharwal (DIN: 07484946) 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 Rakesh Kumar Sabharwal (DIN 07484946), who was appointed as an Additional (Part-time) Director and Chairman by the Board of Directors w.e.f. 01.02.2021 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 Rakesh Kumar Sabharwal 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 and Chairman of the Company, liable to retire by rotation."

6. To appoint Shri Sanjay Jindal (DIN: 09223617) 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 Sanjay Jindal (DIN: 09223617), who was appointed as an Additional (Part-time) Director by the Board of Directors w.e.f. 30.06.2021 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 Sanjay Jindal 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: 26.08.2021
 Place: New Delhi

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by Companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the members of the Company is being held through VC/ OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No(s). 5 and 6 of the Notice is annexed hereto.
3. The relevant details, pursuant to Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India and DPE Guidelines on Corporate Governance, in respect of Director seeking appointment/re-appointment at this AGM are also annexed to this Notice.
4. Pursuant to the provisions of the Companies Act, 2013 ("Act") a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice.
5. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
6. Corporate Shareholders are required to send a scanned copy (PDF/JPG Format) of its Board resolution authorizing its representative to attend the AGM through VC/ OAVM on its behalf. The said Resolution/Authorization shall be sent to the Company Secretary by email at jaya.totlani@ceil.co.in.
7. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 16, 2021 through email on jaya.totlani@ceil.co.in. The same will be replied by the Company suitably.
8. Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to the Members of the Company. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website i.e. www.ceil.co.in.

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

Jaya Totlani
Company Secretary
ACS No. A26210

Date: 26.08.2021

Place: New Delhi

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

Shri Rakesh Kumar Sabharwal was appointed as Additional Director and Part-time Chairman with effect from 01.02.2021 by the Board of Directors of the Company pursuant to the provisions of the Articles of Association of the Company and applicable provisions of Companies Act, 2013. In terms of Section 161 of the Companies Act, 2013 Shri Rakesh Kumar Sabharwal shall hold office upto the date of this Annual General Meeting. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Shri Rakesh Kumar Sabharwal, proposing his candidature for the office of Part-time Chairman. In view of the background and vast experience, it will be in the interest of the Company that he continues as Part-time Chairman of the Company. Brief resume containing inter-alia the statutory disclosures of Shri Rakesh Kumar Sabharwal has been given in the Annexure to the notice of 26th Annual General Meeting.

Your Directors recommend the resolution for approval of members.

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

Item No. 6

Shri Sanjay Jindal was appointed as Additional (Part-time) Director with effect from 30.06.2021 by the Board of Directors of the Company pursuant to the provisions of the Articles of Association of the Company and applicable provisions of Companies Act, 2013. In terms of Section 161 of the Companies Act, 2013 Shri Sanjay Jindal shall hold office upto the date of this Annual General Meeting. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Shri Sanjay Jindal, 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 Sanjay Jindal has been given in the Annexure to the notice of 26th 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 Sanjay Jindal 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: 26.08.2021
Place: New Delhi

Brief Resume of Shri Avneesh Sawhney, Part-time Director, retiring by rotation and eligible for re-appointment vide item no. 3 of Notice of 26th AGM

Item No. 3

Name of Director	Shri Avneesh Sawhney
Father's Name	Shri Prem Sagar Sawhney
Designation	Part-time Director
Date of Birth	21 st September, 1961
Official Address	Certification Engineers International Limited E.I.Bhawan, 1, Bhikaiji Cama Place, New Delhi-110066
Qualifications	B.E.(Hons) Chemical, MBA
Experience	<p>Appointed by the Board with effect from 1st September, 2020, Shri Avneesh Sawhney, Executive Director (Project), Engineers India Ltd. serves in the capacity of Part-time Director on the Board of CEIL.</p> <p>Shri Sawhney is B.E (Hons.) in Chemical Engineering from Punjab University, Chandigarh and M.B.A from Faculty of Management Studies, University of Delhi.</p> <p>In a career spanning over 37 years, Shri Sawhney has wide experience in Project Management. He joined EIL in 1993 and has been associated with various projects in the field of Refineries & Petrochemicals in India & abroad. During this period, he has managed & executed projects following different modes of project execution and has been associated with EIL's major Lump Sum Turnkey projects (EPC) & Open Book Estimate (OBE) projects. He is currently in-charge of the execution of the Mega Petrochemical Complex of HMEL, Bhatinda and 650000 BPSD grass root refinery of Dangote Oil Refining Company at Nigeria.</p>
Directorships in other companies	NIL
Chairman/Membership of Committees across all public companies	NIL
Number of Board Meeting(s) attended	3 (Three)
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 Rakesh Kumar Sabharwal, Part-time Chairman, vacating office at 26th AGM and propose to be appointed vide item no. 5 of Notice of 26th AGM

Item No. 5

Name of Director	Shri Rakesh Kumar Sabharwal
Father's Name	Shri Krishan Lal Sabharwal
Designation	Part-time Chairman
Date of Birth	20 th May, 1962
Official Address	Certification Engineers International Limited E. I. Bhawan, 1, Bhikaiji Cama Place, New Delhi-110066
Qualifications	<ul style="list-style-type: none"> ┆ Graduate Degree - Bachelor of Technology in Mechanical Engineering passed in the Year 1983 ┆ Post Graduate Diploma in Material Management passed in the Year 1986 ┆ Post Graduate Degree - Masters of Business Administration in Financial Management passed in the Year 1991 ┆ Certification course in Foreign Trade / Exports passed in the year 1996 ┆ Graduate Degree in Law passed in the year 2005
Experience	<p>Appointed by the Board of CEIL with effect from 1st February, 2021, Shri Rakesh Kumar Sabharwal, Director(Commercial) with Additional Charge C&MD, Engineers India Limited serves in the capacity of Part-time Chairman on the Board of CEIL.</p> <p>He has more than 38 years of experience in various positions in all areas of commercial function since 1983. He has hands on experience in International and Domestic Commercial domain. His areas of expertise includes Supply Chain Management, Business Development & Marketing, Strategy Development and Execution, Vendor / Supplier/ Contractor Identification and Management, Procurement and Tendering, Legal and Taxation rules & framework, Contract Negotiation & Management, Financial Management, Contractual Dispute & Resolution, Corporate Governance and Risk Assessment & Mitigation.</p>
Directorships in other companies	1
Chairman/Membership of Committees across all public companies	-
Number of Board Meeting(s) attended	None
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 Sanjay Jindal, Part-time Director, vacating office at 26th AGM and propose to be appointed vide item no. 6 of Notice of 26th AGM

Item No. 6

Name of Director	Shri Sanjay Jindal
Father's Name	Shri Radhey Shayam Jindal
Designation	Part-time Director
Date of Birth	18 th January, 1968
Official Address	Certification Engineers International Limited E.I.Bhawan, 1, Bhikaiji Cama Place, New Delhi-110066
Qualifications	B.Com (Hons.) and CMA
Experience	Shri Sanjay Jindal had joined EIL in 1992 and has rich and versatile experience of more than 29 years. He has handled all spectrums of Finance and Accounts functions, especially facilitating Project execution from Bidding stage to Contract closer stage, Project financing, investments, taxation, Implementation of Internal Financial Control Systems, Financial Reporting etc. Shri Jindal, Executive Director (F&A), presently heading the Finance division of Engineers India Limited. Prior to his current assignment, Shri Jindal has served as Chief Financial Officer of Ramagundam Fertilizers and Chemicals Limited, A Joint Venture Company promoted by Engineers India Limited and National Fertilizer Limited.
Directorships in other companies	NIL
Chairman/Membership of Committees across all public companies	NIL
Number of Board Meeting(s) attended	None
Relationship with Directors/Key Managerial Person 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 26th Annual Report on the performance of your Company for the Financial Year ended 31st March, 2021 together with Audited Financial Statements, Auditors' Report and Comments of the Comptroller and Auditor General of India.

PERFORMANCE DURING THE FINANCIAL YEAR 2020-21

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 2020-21 is highlighted below:

(` in Lakhs)

RESULTS OF OPERATIONS	For the year ended 31.03.2021	For the year ended 31.03.2020
Income from services rendered (Including adjustment of work-in- progress)	4911.00	4921.12
Expenditure	3806.54	3968.90
Operating profit	1104.46	952.22
Other Income	397.69	445.42
Profit before Tax	1502.15	1397.64
Provision for Taxation (incl. earlier years)		
Current Tax	379.70	413.70
Deferred Tax	(-) 0.14	(-) 24.28
Profit after Tax	1122.59	1008.22
Other Comprehensive Income (Net of Taxes)	11.22	(41.70)
Total Comprehensive Income	1133.81	966.52

DIVIDEND

The Board of Directors of the Company have recommended for the financial year 2020-21, a final dividend of ` 47 per share (9,00,000 equity shares of ` 100/- per share) in addition to ` 53 per share (9,00,000 equity shares of ` 100/- per share) interim dividend already paid during the year. Payment of final dividend is, however, subject to approval of shareholders in the ensuing Annual General Meeting of the Company. The dividend, if approved and declared in the forthcoming Annual General Meeting, would result into total dividend outflow of ` 9 Crore.

TRANSFER TO RESERVES

The amount of ` 197.69 Lakhs would be transferred in reserves after the payment of ` 423 Lakhs of Final dividend to the shareholders, if approved by the shareholders in AGM.

SHARE CAPITAL

The paid-up Equity Share Capital as on March 31, 2021 was ` 9 Crore. During the year under review, the Company has not issued any shares.

COVID-19

The COVID-19 pandemic has emerged as a global challenge, creating disruption across the world. Global solutions are needed to overcome the challenges – businesses & business models have transformed to create a new work order. The swift transition to remote working was facilitated by the Secure Borderless Workspaces model adopted by the Company.

The physical and emotional wellbeing of employees continues to be a top priority for the Company, with several initiatives to support employees and their families during the pandemic. The

Company is taking all necessary measures to mitigate its impact both on its operations and business.

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), Kakinada Onshore Gas Terminal, Revival, revamping of GS 23-1 Platform works at Eastern Offshore, Heera Redevelopment Project III.

Infrastructure

Third Party Inspection Services for:

- Vadodara Municipal Corporation (VMC), Surat Municipal Corporation (SMC) - 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, Kasauli, Khadki and Dehu Road.
- Sardar Sarovar Narmada Nigam Ltd (SSNNL)
- Quality Control Services during Construction of Vanijya Bhavan complex under Ministry of Commerce
- Quality Control Services for various infrastructure works of South Delhi Municipal Corporation

Pipelines

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

- GIGL : Mundra Bhatinda Phase II
- GSPL : Small Connectivity projects

Vendor Assessment services for Gujarat State Petronet Limited/Gujarat Gas Limited/ GSPL India Gasnet Limited

Consultancy services for Technical Bid Evaluation and technical documents verification for GGL tenders/EOI

Refineries & Petrochemicals

- TPI services for RUF project of HPCL Vizag through L&T
- TPI services for CDU/VDU, DCU, VGO units of HRRL through Tata Projects
- Technimont / KTI – Inspection services for HGU project at HPCL Mumbai
- TPI services for ETP of HRRL through Paramount
- BPCL – LPG Import terminal Haldia

HSE Audits

During the year, following HSE work were done:

- IMS Audit for GAIL CGD networks at Varanasi, Patna, Ranchi, Bhubhaneswar, Cuttack and Jamshedpur
- IMS Audit for Adani Total Gas at Faridabad, Gurja, Ahmedabad & Vadodara
- IMS Audit for Torrent Gas at Muradabad
- T4S audit for Adani Total Gas for CGD Network at Palwal



HRP III Installation



Chenab Bridge

- ERDMP certification for Deepak Fertilizers, Shell India Market P Ltd

Your Company has also diversified its operations in other sectors for sustained growth. Some of the major assignments were undertaken in following sectors are as below:

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
- Quality Assurance Inspection Services for 16 Bridges on Katra-Dharam sector (KRCL)
- Quality Assurance Inspection Services for Anji Khad Bridge (KRCL)
- Dedicated Freight Corridor Corporation (DFCC) – Inspection of steel web girder bridges for various packages of Western and Eastern Corridors
- Inspection of steel web girder bridges for various projects of NHAI, MSRDC

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
- Nashik Municipal Smart City Development Corporation Limited (NMSCDCL) – Third Party Quality Inspection Audits

Technical Services

- Technical Services were also provided to EIL for its various ongoing projects in Design, Central Planning, Construction, Commissioning departments.

Miscellaneous TPI services were provided for:

- UP Irrigation Corporation, Jammu & Kashmir PHED, Various suppliers & contractors all over India
- Jindal Saw: Third Party Inspection of Pipes
- NLC – Third Party Inspection of Conveyor Belts

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

- Third Party Inspection services for CDU/VDU units of HRRL from Tata Projects
- Third Party Inspection services for DCU unit of HRRL from Tata Projects
- Third Party Inspection services for VGO unit of HRRL from Tata Projects
- Third Party Inspection services for ETP of HRRL from Paramount
- L&T Hydrocarbon: Third Party Inspection services for RUF project of HPCL Vizag (change order)
- Konkan Railway Corporation Limited (KRCL): Third Party Inspection and Quality assurance services for Chenab Bridge, 16 Bridges on Katra – Dharam sector, Anji – Khad Bridge (order extensions)

Orders for Inspection of Web Steel Girder Bridges for DFCCIL for following:

- Eastern Corridor from MG Contractors
- Mugalsarai Project from UP State Bridge Corporation
- Mugalsarai Division from REW&JCL
- Khurja to Dadri section of East Central Railway from Galvano India P Ltd
- Western Corridor Package CTP – 15A from L&T Construction
- Western Corridor Package CTP – 11 from Tata Projects
- Neyveli Lignite Corporation: Third Party Inspection Services for Steel Reinforced Conveyor belts (change order)
- NHAI: Inspection of Web Steel Girder Bridges for NAHI (152D) C/O North Western Railways from Gawar Constructions
- Miscellaneous Third Party orders for Inspection of steel fabrication works for Railways for various clients like NHAI, DFCC etc from various contractors
- Empanelment order as Third Party Inspection Agency for water supply system under Jal Jeevan Mission for four districts in Tamil Nadu
- Empanelment order as Third Party Inspection Agency for water supply system under Jal Jeevan Mission for two districts in Kerala
- Annual Rate Contract for TPI services of Mechanical & allied civil maintenance works for Operation & Maintenance group of GSPL
- Miscellaneous Third Party Inspection services for GSPL & Group companies
- Consultancy services for Technical Bid Evaluation and technical documents verification for tenders/EOI from Gujrat Gas Limited
- Services for PESO certification for 01 no Horton Spheres at HMEL from GR Engineering
- Third Party Inspection services for inspection of Personal Computers and peripherals for Bihar School Examination Board
- Third Party Inspection services for new A site retail outlets, modernization works at existing RO and various works at depots/terminals/AFSs under IOCL, Karnataka
- VMC, SMC & RMC – Infrastructure works for Vadodara Municipal Corporation and Surat Municipal Corporation & Rajkot Municipal Corporation.
- Orders for ERDMP/IMS/T4S audits for pipeline, CGD networks, Terminals from various clients like GAIL, Adani Gas, Torrent Gas, Deepak Fertilizers, Shell India Market Pvt. Ltd.

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 Jagdish Chander Nakra ceased to be Part-time Director w.e.f. 01.02.2021 due to his retirement from Engineers India Limited, the holding Company, on attaining the age of superannuation on 31st January, 2021.
- Shri Rakesh Kumar Sabharwal, Director(Commercial) and Addl. Charge-CMD, EIL was inducted as Part-time Chairman of the Company in place of Shri Jagdish Chander Nakra w.e.f. 01.02.2021.
- Shri Sunil Bhatia ceased to be Part-time Director w.e.f. 01.07.2021 due to his retirement from Engineers India Limited, the holding Company, on attaining the age of superannuation on 30th June, 2021.
- Shri Sanjay Jindal, ED, EIL was inducted as Part-time Director of the Company w.e.f. 30.06.2021.
- Shri O. P. Mishra ceased to be Non-Official Independent Director of the Company w.e.f. 24.07.2021 due to completion of tenure of his appointment and in absence of any further order of the Government.

Pursuant to the provisions of Companies Act, 2013, Shri Rakesh Kumar Sabharwal, Part-time Chairman and Shri Sanjay Jindal, Part-time Director who was appointed as Additional Director shall vacate their office at the ensuing Annual General Meeting. Further, the Board recommends his appointment.

In accordance with the provisions of the Companies Act, 2013, Shri Avneesh Sawhney, 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 26th Annual General Meeting.

Your Board places on record its sincere appreciation for the valuable services rendered and contributions made by Shri Jagdish Chander Nakra, Shri Sunil Bhatia and Shri O. P. Mishra during their tenure as Director(s) of the Company.

Key Managerial Personnel

Pursuant to the provisions of Companies Act, 2013, the Key Managerial Personnel of the Company as on March 31, 2021 are Shri G. Suresh, Chief Executive Officer, Shri Basant Kumar Das, Chief Financial Officer and Ms. Jaya Totlani, Company Secretary.

Shri Basant Kumar Das was appointed as Chief Financial officer of the Company w.e.f. 20.01.2021 in place of Shri G.D. Goswami who was superannuated w.e.f. 01.01.2021.

NUMBER OF MEETINGS OF THE BOARD

The Board met 5 times during the financial year 2020-21, the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between any two meetings was within the period prescribed under Companies Act, 2013 and DPE Guidelines on Corporate Governance. For further details regarding number of meetings of the Board and its committees, please refer Corporate Governance Report, annexed to this Report.

Management Discussion & Analysis Report

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

RISK MANAGEMENT

CEIL's Risk management policy has a robust risk management structure and framework which facilitates identification and assessment of new risks and review of already identified risks. The

process is based on identified risks and risk events or factors which require regular assessment and quick response. Based on the probability and impact of risk, the requisite controls and mitigation action plans have been designed and implemented for risk treatment.

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

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

INTERNAL AUDIT

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

VIGILANCE

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

CEIL observed the Vigilance Awareness Week from 27th October, 2020 to 2nd November 2020 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.



MBPL Phase II

HUMAN RESOURCE

As on 31st March 2021, your Company had total manpower of 69. Regular employees were 68 and 1 employee was on deputation from EIL.

TRAINING AND DEVELOPMENT

Employees were nominated for various training programs in the field like NDT, Offshore, Risk Management, functional & behavioral trainings from time to time. Training program on Personality Development, Communication Skill and Team Building was organized inhouse at three location viz Mumbai, Vadodara and Delhi for CEIL Employees. Training on Ethical Leadership Development by National HRD Network was also imparted to our present Chief Executive Officer.

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 14.09.2020 and 'Hindi Fortnight' was organized from 01.09.2020 to 14.09.2020 in consultation with holding Company EIL. With a view to create greater awareness, consciousness and to encourage employees to enhance use of Hindi in official work, several workshops, inspection and seminars were also organized.

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

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

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

Total foreign exchange used and earned for the year:

- (a) Total Foreign Exchange Earnings: ₹ 2.84 Lakhs
- (b) Total Foreign Exchange Outgo : ₹ 73.40 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) Amendment Rules, 2021. The CSR Policy is also available on the website of the Company i.e. <http://www.ceil.co.in>.

The Board of Directors of CEIL in their 124th Meeting held on 22.04.2021 approved the discontinuation of CSR & SD Committee of the Board of Directors in accordance with the amendments in the provisions of Companies Act, 2013. Further, the functions of the said Committee shall be discharged by the Board of Directors of the Company.

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 2020-21.

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

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

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

ANNUAL RETURN

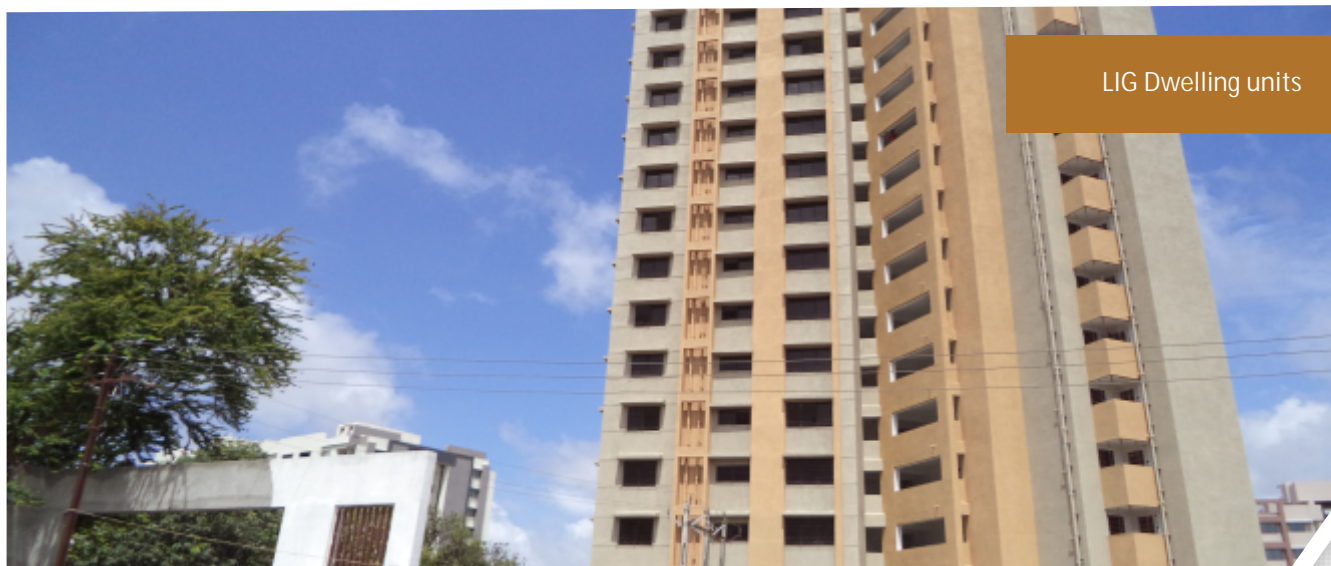
Pursuant to section 92(3) read with Section 134(3)(a) of the Act the Annual Return as on March 31, 2021 is available on the Company's website on www.ceil.co.in.

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



LIG Dwelling units

Report on Corporate Governance. The Code of Business Conduct and Ethics for its Board Members and Senior Management Personnel is given on the website of the Company at www.ceil.co.in.

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

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

- a) In the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- (f) they have devised proper systems to ensure compliance with the provisions of the applicable laws and that such systems are adequate and operating effectively.

RIGHT TO INFORMATION ACT, 2005

In order to promote transparency and accountability, appropriate action is taken to reply to queries from any source whenever received, on time. In compliance to the provisions of the Right to Information Act, 2005, Central Public Information Officer (CPIO) and ACPIOs have been appointed and utmost care is being taken for timely compliance and dissemination of information. As on

31.3.2021, no application is pending under RTI Act, 2005.

BANKERS

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

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 02.09.2022. 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). Periodic external audit is conducted by Certifying Body and present certificate of approval is valid up to 19.06.2022.

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 2020-21 by the Office of the Comptroller & Auditor General of India.

AUDITOR'S REPORT

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

AUDIT COMMITTEE

The recommendations made by the Audit Committee during the financial year 2020-21 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, 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 2020-21, 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 2020-21:-

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 Directors mourn the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

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

(R. K. Sabharwal)
Chairman
DIN: 07484946

Place: New Delhi

Date: 26.08.2021

Management Discussion & Analysis

We have the pleasure of presenting you an analysis report covering the performance of the company for the year 2020-21 and the future outlook.

BUSINESS OVERVIEW

During the financial year 2020-21, your Company was able to secure business worth ₹ 48.59 Crores.

The order book as on 31.03.2021 was ₹ 42.53 Crores.

During the year, Company has secured major orders from Tata Projects, L&T Hydrocarbon, Oil and Natural Gas Corporation Ltd. (ONGC), Konkan Railway (KRCL), Dedicated Freight Corridor Corporation (DFCCIL), Vadodara Municipal Corporation (VMC) and regular orders from other esteemed clients like Surat Municipal Corporation (SMC), Rajkot Urban Development Authority (RUDA), Cantonment Board etc. There has also been a steady order book for Third Party Inspection Services for J&K Govt, UP irrigation and regular clients. Technical services 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, GSPL, GIGL, KRCL, Technimont, Pune Smart City Development Corporation, Nashik Smart City, L&T

Hydrocarbon, SSNNL, Vizag Steel Plant, OpaL, DFCC, 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.

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

COVID 19 PANDEMIC

The COVID 19 pandemic is a defining health crisis of our time. It is spreading too fast with severe impact on both lives and livelihood. The company is taking all necessary measures to mitigate its impact both on its operations and business.

FINANCIAL PERFORMANCE

During the financial year, the income from services rendered by the Company has decreased to ₹ 4911.00 lakhs from ₹ 4921.12 lakhs in the previous year.

Profit before tax (PBT) has increased from ₹ 1397.64 lakhs to ₹ 1502.15 lakhs in the current year, which is 7.47% more than the previous year. Similarly, Profit after tax (PAT) has increased from ₹ 1008.22 lakhs to ₹ 1122.59 lakhs in the current year which is 11.34% more than the previous year.



DFCC_Meerut

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.

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 Government Infrastructure Projects, Railways, Defense, Infrastructure, Nuclear, Fertilizer etc along with upcoming Refinery Projects. 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 69 during the year. 118 Man days training was

imparted to employees during the year through 10 nos. training programs.

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

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

MARKETING

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

OPERATIONAL IMPROVEMENT

Major Operational Improvements like improving manpower productivity, optimization of cost, realization of outstanding etc. are ensured through strict monitoring of operations in the Company and increase in use of Software Packages and automated systems.

COST CONTROL & MONITORING

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

CORPORATE SOCIAL RESPONSIBILITY

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

As part of CSR activities, during the financial year 2020-21, CSR activity was done with The Earth Saviours Foundation, TATA Memorial Centre, Artificial Limbs Manufacturing Corporation of India.

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 2020-21

1. Brief outline on CSR Policy of the Company.

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

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

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Smt. Anita Gurjar	Non-official Independent Director-Chairman	3	3
2.	Shri O.P.Mishra	Non-official Independent Director-Member	3	3
3.	Shri Sunil Bhatia	Part-time Director-Member	3	3

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

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) Not Applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any :

No amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 or amount required to be setoff for the financial year.

6. Average net profit of the Company as per section 135(5) : Average net profit for the last three preceding FY(s) i.e. 2017-18, 2018-19 & 2019-20 was ₹ 1505.14 Lakhs
7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ 30.10 Lakhs
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : No surplus arose out of the CSR projects or programme or activities of the previous financial years.
- (c) Amount required to be set off for the financial year, if any :- No amount is available to be set off for the financial year.
- (d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 30.10 Lakhs
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
5,19,601	64,80,646*	30.04.2021	Nil		

* Includes ₹ 24,90,682/- for FY 2020-21, ₹ 14,44,488/- for FY 2018-19 and ₹ 25,45,476/- for FY upto 2012-13.

In addition to above balance of CSR activity Reserve as on 31.03.2021 includes ₹ 8,72,891/- pertaining to unallocated amounts for FY upto 2012.13.

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)*	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)**	Mode of Implementation-Direct (Yes/No)	Mode of Implementation-Through Implementing Agency	
				State	District						Name	CSR Registration Number
1.	TATA Memorial Centre	Health Care	No	U.P.	Varanasi	2 years	27,00,000	2,70,000	24,30,000	Yes	-	-
2.	The Earth Saviours Foundation	Poverty and hunger eradication	Yes	Haryana	Gurugram	2 years	10,40,000	99,601	9,40,399	Yes	-	-
3.	Artificial Limbs Manufacturing Corporation of India	Health Care	No	Haryana	Nuh	2 years	15,00,000	1,50,000	13,50,000	Yes	-	-
	Total						52,40,000	5,19,601	47,20,399			

* ₹ 30,10,283/- were allocated for financial year, 2020-21 and the remaining amount of ₹ 22,29,717/- pertains to previous financial year(s).

** ₹ 24,90,682/- unspent for FY 2020-21 and the remaining amount of ₹ 22,29,717/- pertains to previous financial year(s).

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in `)	Mode of implementation on-Direct (Yes/No)	Mode of Implementation- Through implementing agency	
				State	District			Name	CSR Registration Number
1.									
2.									
3.									
	TOTAL								

(d) Amount spent in Administrative Overheads - No amount was spent on administrative overheads in FY 2020-21.

(e) Amount spent on Impact Assessment, if applicable -Not Applicable.

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)- ` 5,19,601/-

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

Sl. No.	Particular	Amount (in `)
(i)	Two percent of average net profit of the Company as per section 135(5)	30,10,283
(ii)	Total amount spent for the Financial Year	5,19,601
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

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

Sl No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in `)	Amount spent in the reporting Financial year (in `)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in `)
				Name of the Fund	Amount (in `)	Date of transfer	
1.	2017-18	-	-	-	-	-	-
2.	2018-19	14,44,488	-	-	-	-	14,44,488
3.	2019-20	-	-	-	-	-	-
	Total	14,44,488	-	-	-	-	14,44,488

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in `)	Amount spent on the project in the reporting Financial Year (in `)	Cumulative amount spent at the end of reporting Financial Year (in `)	Status of the project - Completed / Ongoing
1.		NMMC	2019-20	-	16,00,000	-	-	Ongoing
2.		Matheran Nagar Palika	2019-20	2 Years	10,00,000	-	9,10,404	Ongoing
3.		VMSS	2019-20	5 Years	7,45,000	-	6,74,349	Ongoing
	TOTAL				33,45,000	-	15,84,753	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) Nil

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

No capital asset was created or acquired by CEIL itself.

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

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

Chief Executive Officer

Chairman

FORM NO. AOC -2**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

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

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	ENGINEERS INDIA LIMITED (EIL) HOLDING COMPANY
b)	Nature of contracts/arrangements/transaction	Fixation of rent for CEIL Head Office at EIB Kharghar, Navi Mumbai.
c)	Duration of the contracts/arrangements/transaction	Contract to be signed between EIL & CEIL.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Monthly rent to be given to EIL as per the market rate prevalent at Kharghar, Navi Mumbai. No rent to be paid to EIL for its premises in Kharghar, Mumbai till such time the premises of CEIL in CBD Belapur is rented out.
e)	Justification for entering into such contracts or arrangements or transactions'	The proposal for shifting from CEIL premises in CBD Belapur Station to EIB Kharghar was basically to provide more synergy between EIL & CEIL employees, improved brand image of EIL and CEIL by working in the brand new own premises, availability of space for future growth and expansion, etc.
f)	Date of approval by the Board	23.01.2020
g)	Amount paid as advances, if any	-
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-

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

For & on behalf of the Board of Directors

(R. K. Sabharwal)
Chairman
DIN: 07484946

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

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

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

2. Board of Directors

a) Composition of the Board of Directors

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

As on March 31, 2021, CEIL is having 6 Directors on its Board comprising of 4(four) Part-time Directors including Chairman and 2(two) 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 5 times during the financial year 2020-21. The details of the Board Meetings are as under:

S.No	Date of Meeting	Place	Board Strength	No. of Directors Present
1	June 19, 2020	New Delhi	6	6
2	August 6, 2020	New Delhi	6	6
3	November 4, 2020	New Delhi	6	6
4	January 20, 2021	New Delhi	6	6
5	January 25, 2021	New Delhi	6	6

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 2020-21 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 25.09.2020	Other Directorships	Other Committee Memberships	Other Committee Chairmanships
A) Part time Directors –From Holding Company, EIL					
I) Present Directors					
Shri Rakesh Kumar Sabharwal, Chairman*	-	-	1	-	-
Shri Sunil Bhatia	5	Yes	2		

Shri Amitabh Budhiraja	5	Yes	0	-	-
Shri Avneesh Sawhney**	3	Yes	0	-	-
II) Past Directors					
Shri R. Mahajan***	2	-	-	-	-
Shri J.C. Nakra****	5	Yes			
B) Non-Official Part-time Independent Director					
I) Present Directors					
Shri O. P. Mishra	5	Yes	1	-	-
Smt. Anita Gurjar	5	Yes	-	-	-

Remarks:

- * Shri Rakesh Kumar Sabharwal was inducted as Part-time Chairman w.e.f. 01.02.2021.
- ** Shri Avneesh Sawhney was inducted as Part-time Director w.e.f. 01.09.2020.
- *** Shri R. Mahajan was superannuated from the services of EIL and ceased to be Part-time Director w.e.f. 01.09.2020.
- **** Shri J.C. Nakra was superannuated from the services of EIL and ceased to be Part-time Chairman w.e.f. 01.02.2021.
- ## 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 www.ceil.co.in.

Declaration as required under DPE Guidelines on Corporate Governance for CPSEs

All the Members of the Board and Senior Management Personnel have affirmed compliance of the Code of Business Conduct and Ethics for the financial year ended on March 31, 2021.

Place: Mumbai
Date : 31.03.2021

(G. Suresh)
Chief Executive Officer

- f) Separate Meetings of Independent Directors

A separate Meeting of the Independent Directors was held on 20.01.2021 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 alongwith 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, 2021, the Audit Committee comprises of Shri O.P. Mishra, Non-official Independent Director as Chairman, Smt. Anita Gurjar (Non-official Independent Director) and Shri Sunil Bhatia (Part-time Director) as members.

The terms of reference/scope, role and powers etc. of the Audit Committee are in accordance with DPE Guidelines on Corporate Government for CPSEs. The details of meetings held during the financial year 2020-21 and the attendance of the Members is given below:

S.No.	Date of Meeting	Name	Chairman/Member	Attendance
1	19.06.2020	Shri O.P.Mishra Smt. Anita Gurjar Shri Sunil Bhatia	Chairman Member Member	Present Present Present
2	06.08.2020	Shri O.P.Mishra Smt. Anita Gurjar Shri Sunil Bhatia	Chairman Member Member	Present Present Present
3	04.11.2020	Shri O.P.Mishra Smt. Anita Gurjar Shri Sunil Bhatia	Chairman Member Member	Present Present Present
4	20.01.2021	Shri O.P.Mishra Smt. Anita Gurjar Shri Sunil Bhatia	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, 2021, the Remuneration Committee comprises of Shri O.P.Mishra, Non-official Independent Director as Chairman, Smt. Anita Gurjar and Shri Avneesh Sawhney as Members. The Remuneration Committee was reconstituted during the year due to the following:

- Shri R.Mahajan ceased to be member w.e.f. 01.09.2020.
- Shri Avneesh Sawhney was inducted as member w.e.f. 01.09.2020.

The details of meeting held during the financial year 2020-21 and the attendance of the Members is given below:

Sl. No.	Date of Meeting	Name	Chairman/ Member	Attendance
1.	19.06.2020	Shri O.P.Mishra Smt. Anita Gurjar Shri R.Mahajan	Chairman Member Member	Present Present Present
2.	20.01.2021	Shri O.P.Mishra Smt. Anita Gurjar Shri Avneesh Sawhney	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 2020-21 are given below:-

Name of Non-official Independent Director	Sitting Fees		Total
	Board Meeting	Committee Meeting	
Shri O.P. Mishra	75000	135000	210000
Smt. Anita Gurjar	75000	135000	210000

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, 2021, the CSR and SD Committee comprises of Smt. Anita Gurjar, Non-official Independent Director as Chairperson, Shri O. P. Mishra and Shri Sunil Bhatia as Members.

The details of meetings held during the financial year 2020-21 and the attendance of the Members is given below:

Sl. No.	Date of Meeting	Name	Chairman/Member	Attendance
1.	19.06.2020	Smt. Anita Gurjar	Chairperson	Present
		Shri O.P.Mishra	Member	Present
		Shri Sunil Bhatia	Member	Present
2.	06.08.2020	Smt. Anita Gurjar	Chairperson	Present
		Shri O.P.Mishra	Member	Present
		Shri Sunil Bhatia	Member	Present
3.	20.01.2021	Smt. Anita Gurjar	Chairperson	Present
		Shri O.P.Mishra	Member	Present
		Shri Sunil Bhatia	Member	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.

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
23 rd	2017-18	EIB, 1, Bhikaiji Cama Place, New Delhi-110066.	28.08.2018	3.00 p.m.
24 th	2018-19	EIB, 1, Bhikaiji Cama Place, New Delhi-110066.	29.08.2019	4.00 p.m.
25 th	2019-20	EIB, 1, Bhikaiji Cama Place, New Delhi-110066.	25.09.2020	10.00 a.m.

ii) Details of Special resolutions passed at last three AGMs

AGM	Details of Special Resolutions Passed
23 rd	Nil
24 th	Nil
25 th	Nil

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

iii) Extra-ordinary General Meeting (EGM)

During the year 2020-21, an Extra-ordinary General Meeting of the Members was held on 29.01.2021 regarding the following matter:

Alteration of object clause of Memorandum of Association of the Company.

11. Disclosures

- Details of transactions between the company and its holding Company, associates, key managerial personnel during the financial year 2020-21 are given in Note 35 of the Notes to Accounts for the year ended 31st March, 2021. These transactions do not have any potential conflict with the interests of the Company at large.
- 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.
- 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.
- 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. (from 01.04.2020 to 31.03.2021).
- During the last three years, no Presidential Directive has been received by the Company.
- No Expenditures were debited in the Books of Accounts during the Financial Year 2020-21 which are not for the purposes of the Business.
- No expenses had been incurred which are personnel in nature and incurred for the Board of Directors and the top Management.
- The administrative and office expenses are 16.00% of the total expenses in the Financial Year 2020-21 as against 19.02% during the Financial Year 2019-20.
- None of the Directors of the Company are inter-se related as on 31st March, 2021.
- None of the Non-official Part-time Independent Directors hold any equity shares of the Company as on 31st March, 2021.

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 www.ceil.co.in. Detailed presentations are made by senior executives/professionals/consultants on business related issues and the Directors have attended seminars/conferences/programmes from time to time.

15. Vigil Mechanism/Whistle blower Policy

The Vigil Mechanism/Whistle blower policy is placed on the website of the Company i.e. www.ceil.co.in.

16. General Information

i) Annual General Meeting

Day and Date	Friday and 17.09.2021
Time	3.00 p.m.
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 ` 47/- (9,00,000 equity shares of ` 100/- per share) for the Financial Year ended 31st March, 2021 subject to approval of Shareholders in the ensuing Annual General Meeting. This was in addition to the Interim Dividend of ` 53/- (9,00,000 equity shares @ ` 100/- each) paid in January, 2021.

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: www.ceil.co.in

v) Auditors

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

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

We, G Suresh, Chief Executive Officer and Basant Kumar Das, 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, 2021.
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

Basant Kumar Das
Chief Financial Officer

Place: New Delhi

Date: 01.06.2021

Independent Auditor's 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, 2021 as stipulated in guidelines vide O. M No. 18(8)/2005-GM dated 14.05.2010 of the Ministry of Heavy Industries and Public Enterprises, DPE, Government of India.

Management's Responsibility for compliance with the conditions of Corporate Governance

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

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance mentioned in the aforesaid guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the aforesaid guidelines issued by the Ministry of Heavy Industries and Public Enterprises, it is our responsibility to provide a reasonable assurance as to whether the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid guidelines for the year 31st March 2021.
6. We conducted our examination in accordance with the Guidance note on reports or Certificates for special Purposes issued by the Institute of Chartered Accountants of India ('ICAI'). The guidance note requires that we comply with the ethical requirements of the code of ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Relevant Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, subject to clause (a) 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.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of guidelines vide O. M No. 18(8)/2005-GM dated 14.05.2010 of the Ministry of Heavy Industries and Public Enterprises, DPE, Government of India, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other person to whom this certificate is shown or into hands it may come without our prior consent in writing.

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

Place: New Delhi
Dated: 01.06.2021

CA VIVEK KUMAR
Partner
Membership No. 503826
UDIN : 21503826AAAABM2824

Management's Reply to Auditor's Report on Corporate Governance (2020-21)

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.

INDEPENDENT AUDITOR'S 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 31 March 2021, 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,2021 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 2021, 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 or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may affect 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, 2021 taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2021 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

Place: New Delhi
Dated: 01.06.2021

CA VIVEK KUMAR
Partner
Membership No.503826
UDIN : 21503826AAAABM2824

Annexure- A to the Auditor's 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 2021, we report that:
 - a) The company has been 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 generally consists of stock of office stationary. Physical verification of inventory has been conducted at reasonable intervals by the management.
 - (b) Procedures for physical verification of inventory 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. 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 maintainance of cost records under section 148(1) of the Act, for any of the services rendered by the company.
- vii.
 - a) According 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) and other material statutory dues except for some delays in deposition of profession tax. 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 31st March 2021 for a period of more than six months from the date the 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	1092.02*	April 2004 to March 2013	CESTAT

*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 has paid/ provided for managerial remuneration in accordance with the requisite approvals mandate by the provisions of section 197 read with schedule V of 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: 01.06.2021

CA VIVEK KUMAR
Partner
Membership No. 503826
UDIN : 21503826AAAABM2824

Supplementary - Directions to the Statutory Auditors

Direction u/s 143(S) of Companies Act, 2013 for the year 2020-21

S. 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. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company).	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 2020-21.
3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its 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: 01.06.2021

CA VIVEK KUMAR
Partner
Membership No. 503826
UDIN : 21503826AAAABM2824

ANNEXURE - B to the Auditors' Report

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 2021 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 authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 2021, 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: 01.06.2021

CA VIVEK KUMAR
Partner
Membership No. 503826
UDIN : 21503826AAAABM2824

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of M/s Certification Engineers International Ltd, for the year ended 31st March 2021 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.

Place: New Delhi
Dated: 01.06.2021

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

CA VIVEK KUMAR
Partner
Membership No.503826
UDIN : 21503826AAAABM2824

Balance Sheet

As At 31 March 2021

(` In Lakhs)

PARTICULARS	Note No.	AS AT 31 March 2021	AS AT 31 March 2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	32.32	28.87
Right of Use Assets	4 A	213.01	182.71
Other Intangible Assets	5	1.31	0.64
Financial Assets			
Loans	6 A	45.15	57.56
Other Financial Assets	7 A	1.65	22.44
Deferred Tax Assets (Net)	8	253.19	256.83
Non-Current Tax Assets (Net)	9	261.22	317.46
Other Non-Current Assets	10 A	1.01	1.19
Total Non-Current Assets		808.86	867.70
Current Assets			
Inventories	11	6.50	8.81
Financial Assets			
Investments	12	-	202.50
Loans	6 B	341.64	303.93
Trade Receivables	13	1,651.57	1,934.56
Cash and Cash Equivalents	14	122.18	127.33
Other Bank Balances	15	6,184.98	5,371.75
Other Financial Assets	7 B	608.33	422.61
Other Current Assets	10 B	85.57	68.92
Total Current Assets		9,000.77	8,440.41
Total Assets		9,809.63	9,308.11
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	900.00	900.00
Other Equity	17	7,167.27	6,960.46
Total Equity		8,067.27	7,860.46
Non-Current Liabilities			
Financial Liabilities			
Lease Liabilities	4 A	33.72	-
Other Financial Liabilities	18 A	33.00	15.59
Other Non-Current Liabilities	19 A	0.85	1.67
Long-Term Provisions	20 A	654.70	607.27
Total Non-Current Liabilities		722.27	624.53

(₹ In Lakhs)

PARTICULARS	Note No.	AS AT 31 March 2021	AS AT 31 March 2020
Current Liabilities			
Financial Liabilities			
Trade Payables	21		
Total outstanding dues of Micro Enterprises and small enterprises		91.21	83.63
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		133.69	153.03
Lease Liabilities	4 A	0.76	-
Other Financial Liabilities	18 B	187.95	157.94
Other Current Liabilities	19 B	389.08	334.02
Short-Term Provisions	20 B	34.53	73.06
Current Tax Liabilities (Net)	22	182.87	21.44
Total Current Liabilities		1,020.09	823.12
Total Equity and Liabilities		9,809.63	9,308.11

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

1 to 50

This is the balance sheet referred to in our report of even date

For and on behalf of Certification Engineers International Limited

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

(J. TOTLANI)
Company Secretary
PAN : BGIPK9258H

(BASANT K DAS)
Chief Financial Officer
PAN : AEUPD5295E

(G. SURESH)
Chief Executive Officer
PAN : AGLPS8759H

(R.K. SABHARWAL)
Chairman
DIN : 07484946

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

Place : New Delhi
Date : June 1, 2021

Statement Of Profit And Loss

For The Year Ended 31 March 2021

PARTICULARS	Note No.	(` In Lakhs)	
		31 March 2021	31 March 2020
REVENUE			
Income From Services	23	4,911.00	4,921.12
Other Income	24	397.69	445.42
Total Revenue		5,308.69	5,366.54
EXPENSES			
Manpower Services	25	650.76	662.55
Employee Benefits Expenses	26	2,209.77	2,214.50
Finance Costs	27	2.69	0.80
Depreciation and Amortisation Expenses	28	22.24	16.47
Other Expenses			
Facilities Costs	29A	213.85	159.54
Corporate Costs	29B	62.78	61.54
Other Costs	29C	644.45	853.50
Total Expenses		3,806.54	3,968.90
Profit Before Tax		1,502.15	1,397.64
Tax Expense			
Current Tax	30	379.70	413.76
Earlier years tax adjustments (net)		-	(0.06)
Deferred Tax		(0.14)	(24.28)
Profit For The Year		1,122.59	1,008.22
Other Comprehensive Income			
Items that will not be reclassified to profit and loss			
Re-measurement gains (losses) on defined benefit plans		15.00	(55.73)
Income tax relating to items that will not be reclassified to profit and loss		(3.78)	14.03
Total Comprehensive Income For The Year		1,133.81	966.52
Earnings Per Equity Share (Face Value ` 100 Per Share)	31		
Basic (`)		124.73	112.02
Diluted (`)		124.73	112.02

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.
This is the statement of profit and loss referred to in our report of even date.

1 to 50

For and on behalf of Certification Engineers International Limited

For V.K.VERMA & CO.
Chartered Accountants
Firm Regn. No. 000386N
Vivek Kumar
Partner
Membership No. 503826
FRN No. 000386N
Place : New Delhi
Date : June 1, 2021

(J. TOTLANI)
Company Secretary
PAN : BGIPK9258H

(BASANT K DAS)
Chief Financial Officer
PAN : AEUPD5295E

(G. SURESH)
Chief Executive Officer
PAN : AGLPS8759H

(R.K. SABHARWAL)
Chairman
DIN : 07484946

Statement Of Changes In Equity As At 31 March 2021

A Equity Share Capital*							(` In Lakhs)
Particulars	Opening Balance As At 1 April 2019	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 2020	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 2021
Equity Share Capital	900.00	-	-	900.00	-	-	900.00
B Other Equity*							(` In Lakhs)
Description	Reserves And Surplus			Other Comprehensive Income		Total	
	General Reserve	Retained Earnings	CSR Activity Reserve	Remeasurement Of Defined Benefit Plans (Net of Taxes)			
Balance as at 31 March 2019		6,146.65	544.16	64.22	18.90		6,773.93
Profit for the year		-	1,008.22	-	-		1,008.22
Other comprehensive income		-	-	-	(41.70)		(41.70)
Dividend (including tax impact)		-	(779.99)	-	-		(779.99)
Transfer from statement of profit and loss		-	-	-	-		-
Bonus issue of shares		-	-	-	-		-
Transfer from retained earnings		122.22	(153.47)	31.25	-		-
Transfer to retained earnings		-	46.85	(46.85)	-		-
Balance as at 31 March 2020		6,268.87	665.77	48.62	(22.80)		6,960.46
Profit for the year		-	1,122.59	-	-		1,122.59
Other comprehensive income		-	-	-	11.22		11.22
Dividend (including tax impact)		-	(927.00)	-	-		(927.00)
Transfer from statement of profit and loss		-	-	-	-		-
Bonus issue of shares		-	-	-	-		-
Transfer from retained earnings		215.77	(245.87)	30.10	-		0.00
Transfer to retained earnings		-	5.20	(5.20)	-		-
Balance as at 31 March 2021		6,484.64	620.69	73.52	(11.58)		7,167.27

* Refer Note 16 for details

** Refer Note 17 for details

For and on behalf of Certification Engineers International Limited

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

(J. TOTLANI)
Company Secretary
PAN : BGIPK9258H

(BASANT K DAS)
Chief Financial Officer
PAN : AEUPD5295E

(G. SURESH)
Chief Executive Officer
PAN : AGLPS8759H

(R.K. SABHARWAL)
Chairman
DIN : 07484946

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

Place : New Delhi
Date : June 1, 2021

Cash Flow Statement

For The Year Ended 31 March 2021

(` In Lakhs)

PARTICULARS	31 March 2021	31 March 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	1,502.15	1,397.64
Adjustments for:		
Depreciation and Amortisation Expenses	22.24	16.47
Provision for Employee Benefits	54.90	102.60
Allowance for expected credit losses - trade receivables and advances (net)	(55.82)	120.61
Provision for corporate social responsibility	(31.00)	31.00
Interest Income and Amortised Income On Security Deposit	(393.92)	(443.66)
Interest Expense	2.69	0.80
Dividend Income	-	(1.48)
Capital (Gain) / Loss On Sale Of Mutual Funds	(3.77)	13.36
Operating Profit Before Working Capital Changes	1,097.47	1,237.34
Movement In Working Capital		
Decrease/(Increase) In Trade Receivables	338.81	(573.48)
Decrease/(Increase) In Inventories	2.31	(4.64)
Decrease/(Increase) In Other Current and Non-Current Assets	(16.47)	(4.93)
Increase In Loans	(25.30)	41.53
Decrease/(Increase) In Other Current Financial Assets	(185.72)	25.48
(Decrease)/Increase In Other Current and Non-Current Liabilities	54.24	(139.92)
(Decrease)/Increase In Other Current Financial and Non-Financial Liabilities	33.72	175.01
Cash Flow From Operating Activities Post Working Capital Changes	1,299.06	756.39
Income Tax Paid (Net)	(162.03)	(414.06)
Net Cash Flow From Operating Activities (A)	1,137.03	342.33
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase Of Property, Plants, Equipements and Intangible Assets (Net)	(17.94)	(2.66)
Movement In Current Investments (Net)	206.27	68.52
Fixed Deposit placed with banks having original maturity of more than three months	(6,531.33)	(5,119.35)
Fixed Deposit with banks matured having original maturity of more than three months	5,727.97	5,110.07
Interest Received	404.84	439.98
Dividend Received	-	1.48
Net Cash Flows Used In Investing Activities (B)	(210.19)	498.04

(₹ In Lakhs)

PARTICULARS	31 March 2021	31 March 2020
C CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend Paid (Including Tax)	(927.00)	(779.99)
Interest Paid	-	(0.80)
Payment of Lease Liabilities	(4.99)	-
Net Cash Used In Financing Activities (C)	(931.99)	(780.79)
Increase In Cash And Cash Equivalents (A+B+C)	(5.15)	59.58
Cash And Cash Equivalents At The Beginning Of The Year	127.33	67.75
Cash And Cash Equivalents At The End Of The Year	122.18	127.33

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

For and on behalf of Certification Engineers International Limited

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

(J. TOTLANI)
Company Secretary
PAN : BGIPK9258H

(BASANT K DAS)
Chief Financial Officer
PAN : AEUPD5295E

(G. SURESH)
Chief Executive Officer
PAN : AGLPS8759H

(R.K. SABHARWAL)
Chairman
DIN : 07484946

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

Place : New Delhi
Date : June 1, 2021

Significant Accounting Policies and Notes to Accounts for the year ended 31 March 2021

1. NATURE OF PRINCIPAL ACTIVITIES

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

2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

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

The financial statements for the year ended 31st March 2021 were authorized and approved for issue by the Board of Directors on 1st June 2021.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING CONCEPTS

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

B. REVENUE RECOGNITION

REVENUE RECOGNITION

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

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

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

Revenue from services is accounted as follows:

In the case of cost plus/rate basis jobs, on the basis of amount billable under the contracts

In the case of lump-sum contracts, as proportion of actual direct costs of the work performed to latest estimated total direct cost of the work performed i.e. percentage completion method.

In case of contracts providing for a percentage fees on equipment/material value/project cost, on the basis of physical progress as certified up to the closing date of accounting year

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

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

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

WORK-IN-PROGRESS

a) Cost of jobs are carried forward as Work-in-Progress for which:

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

b) Work-in-Progress is valued at direct cost

C. INTANGIBLE ASSETS

Recognition

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

Subsequent measurement (amortisation)

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

D. PROPERTY, PLANT AND EQUIPMENT

Recognition

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

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

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

Subsequent measurement (depreciation)

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

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

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

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

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

De-recognition

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

E. FOREIGN CURRENCY

Functional and presentation currency

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

Foreign currency transactions and balances

Initial recognition

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

Conversion

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

Exchange differences

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

F. IMPAIRMENT OF NON-FINANCIAL ASSETS

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

G. FINANCIAL INSTRUMENTS

Financial assets

Initial recognition and measurement

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

Subsequent measurement

- i. Debt instruments at amortised cost—A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

- ii. Mutual funds – All mutual funds in scope of '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-recognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

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

H. IMPAIRMENT OF FINANCIAL ASSETS

In accordance with 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 unrestricted 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 unrestricted time deposits with banks having an original maturity of three months or less as cash equivalent.

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

Defined benefit plans

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

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

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

Other long-term benefits

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

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

Short-term employee benefits

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

Defined contribution plans

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

Other benefits

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

N. LEASES

Company as a lessee

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

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

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

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

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

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

Company as a lessor

Operating lease

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

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

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

O. RECENT ACCOUNTING PRONOUNCEMENT

There is no notification of new standards or amendments to the existing standards by Ministry of Corporate Affairs ("MCA") which would have been applicable from April 1, 2021

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

P. EARNINGS PER SHARE

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

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

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

Significant management judgements

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

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

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

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

Estimation uncertainty

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

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

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

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

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Notes To The Financial Statements

For The Year Ended 31 March 2021

Note - 4

Property, Plant And Equipment

(` In Lakhs)

Particulars	Vehicles	Office Equipments	Leasehold Property*	Air Conditioner	Computer Hardware	Furniture & Fixtures	Library Books	Total
Balance as at 31 March 2019	3.24	7.50	202.08	6.98	44.34	24.44	0.44	289.02
Additions	-	0.33			1.04	1.27	0.02	2.66
Reclassified on account of adoption of Ind AS 116 (Refer Note 4 A)	-	-	(202.08)	-	-	-	-	(202.08)
Disposals/assets written off	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	3.24	7.83	-	6.98	45.38	25.71	0.46	89.60
Additions	-	0.73		0.64	14.01	1.26		16.64
Reclassified on account of adoption of Ind AS 116 (Refer Note 4 A)	-	-	-	-	-	-	-	-
Disposals/assets written off	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	3.24	8.55	-	7.62	59.40	26.97	0.46	106.24
Accumulated Depreciation								
Balance as at 31 March 2019	2.60	4.74	15.50	5.78	18.84	16.43	0.44	64.33
Charge For The Year	0.37	0.65	-	0.02	10.06	0.78	0.02	11.90
Reclassified on account of adoption of Ind AS 116 (Refer Note 4 A)	-	-	(15.50)	-	-	-	-	(15.50)
Adjustments For Disposals	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	2.97	5.39	-	5.80	28.90	17.21	0.46	60.73
Charge For The Year	0.06	0.88	-	0.07	10.10	2.08	-	13.19
Reclassified on account of adoption of Ind AS 116 (Refer Note 4 A)	-	-	-	-	-	-	-	-
Adjustments For Disposals	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	3.03	6.27	-	5.87	39.00	19.29	0.46	73.92
Net Book Value as at 31 March 2020	0.27	2.44	-	1.18	16.48	8.50	0.00	28.87
Net Book Value as at 31 March 2021	0.21	2.28	-	1.75	20.40	7.68	0.00	32.32

*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 2021

Note - 4 A

Right of Use Assets

Leases :- Company as a lessee

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

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and recognise lease liability as the present value of the remaining lease payments, discounted at the borrowing rate and the right of use asset at amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases.

(` In Lakhs)			
Particulars	Leasehold Property* - Office	Leasehold Property - Site Transit Accom	Total
Balance as at 31 March 2019	-	-	-
Reclassified on account of adoption of Ind AS 116 (Refer Note 4)	186.58	-	186.58
Additions	-	-	-
Depreciation	(3.87)	-	(3.87)
Balance as at 31 March 2020	182.71	-	182.71
Additions	-	38.72	38.72
Depreciation	(3.87)	(4.55)	(8.42)
Balance as at 31 March 2021	178.84	34.17	213.01

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

* Acquired from CIDCO Limited on 60 years lease basis

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

(` In Lakhs)		
Particulars	31 March 2021	31 March 2020
Current lease liabilities	0.76	-
Non-Current lease liabilities	33.72	-
Total	34.48	-

The following is the movement in lease liabilities:

(` In Lakhs)	
Particulars	Year ended 31 March 2021
Balance as of 31 March 2020	-
Additions	38.72
Finance cost accrued during the year	0.75
Payment of lease liabilities	4.99
Balance as of 31 March 2021	34.48

The detail regarding the contractual maturities of lease liabilities on undiscounted basis is as follows:

(` In Lakhs)		
Particulars	31 March 2021	31 March 2020
Less than one year	18.74	-
One year to two years	16.50	-
More than two years	1.88	-
Total	37.12	-

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

During the year Company recognised as operating expenses of ` 98.15 Lakhs towards short term leases for certain office/residential premises.

Note - 5
Other Intangible Assets

(` In Lakhs)

Particulars	Computer Software	Total
Gross carrying amount		
Balance as at 31 March 2019	4.08	4.08
Additions	-	-
Disposals/Assets Written Off	-	-
Balance as at 31 March 2020	4.08	4.08
Additions	1.30	1.30
Disposals/Assets Written Off		
Balance as at 31 March 2021	5.38	5.38
Accumulated amortisation		
Balance as at 31 March 2019	2.74	2.74
Amortisation Charge For The Year	0.70	0.70
Adjustments For Disposals	-	-
Balance as at 31 March 2020	3.44	3.44
Amortisation Charge For The Year	0.63	0.63
Adjustments For Disposals	-	-
Balance as at 31 March 2021	4.07	4.07
Net Book Value as at 31 March 2020	0.64	0.64
Net Book Value as at 31 March 2021	1.31	1.31

(This space has been intentionally left blank)

(` In Lakhs)

	31 March 2021	31 March 2020
Note - 6		
A Loans - Non-Current		
Unsecured, Considered Good Unless Otherwise Stated		
Security Deposit	45.15	57.56
	<u>45.15</u>	<u>57.56</u>
B Loans - Current		
Unsecured, Considered Good Unless Otherwise Stated		
Loans To Employees	-	18.18
Security Deposit	341.64	285.75
	<u>341.64</u>	<u>303.93</u>

Note - 7

A Other Financial Assets - Non-Current		
Term Deposits With Maturity Exceeding One Year*	1.65	22.44
	<u>1.65</u>	<u>22.44</u>

**Includes bank deposits held under lien against bank guarantees of ` 1.56 Lakhs (previous year 31 March 2020: ` 0.37 Lakhs)
The above also includes interest accrued on bank deposits of ` 0.09 Lakhs (previous year 31 March 2020 ` 0.91 lakhs)*

B Other Financial Assets - Current		
Unsecured, Considered Good Unless Otherwise Stated		
Unbilled Income	600.51	419.52
Work In Progress*	7.82	3.09
	<u>608.33</u>	<u>422.61</u>

**As taken, valued and certified by Management*

Note - 8

Deferred Tax Assets (Net)		
Deferred Tax Assets Arising On:		
Employee Benefits:		
Provision for leave encashment	167.48	146.52
Provision for long service awards	6.53	5.74
Provision for employee related expenses allowed on payment basis	-	11.39
Provision for doubtful receivables and advances	105.94	119.99
Others:		
Amortised cost financial instruments	0.03	-
Deferred Tax Liabilities Arising On:		
Depreciation	(26.24)	(25.88)
Provision for gratuity	(0.55)	-
Amortised cost financial instruments	-	(0.93)
	<u>253.19</u>	<u>256.83</u>

Movement In Deferred Tax Assets And Liabilities

Particulars	31-Mar-19	Recognised In Other Compre- hensive Income	Recognised In Statement Of Profit And Loss	31-Mar-20	Recognised In Other Compre- hensive Income	Recognised In Statement Of Profit And Loss	31-Mar-21
Assets							
Employee Benefits	149.41	14.03	0.21	163.65	(3.78)	14.14	174.01
Trade Receivables & Advances	103.71	-	16.28	119.99		(14.05)	105.94
Others	0.43	-	(1.36)	(0.93)		0.96	0.03
Liabilities							
Depreciation	(28.77)	-	2.89	(25.88)		(0.36)	(26.24)
Employee Benefits	(6.26)	-	6.26	-	-	(0.55)	(0.55)
	218.52	14.03	24.28	256.83	(3.78)	0.14	253.19

The company has elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the company has recognised provision for income tax for the year ended 31st March 2020 and re-measured the balance of net deferred tax assets, basis the rate prescribed in the aforesaid section and recognised the effect of change in the profit and loss account. The re-measurement has resulted in a write down of the net deferred tax assets pertaining to earlier years by Rs.29.66 Lakhs which has been fully charged to the profit and Loss account.

'- No changes in the deferred taxes is expected due to COVID-19

Note - 9

Non-Current Tax Assets (Net)

Advance Income Tax (net of provision for taxation amounting to ` 1952.16 Lakhs (previous year 31 March 2020 : ` 1538.39 Lakhs)	261.22	317.46
Advance Fringe Benefit Tax	11.83	11.83
Less: Allowance for expected credit losses	(11.83)	(11.83)
	261.22	317.46

Note - 10

A. Other Non-Current Assets

Unsecured, Considered Good Unless Otherwise Stated

Prepaid Expenses	1.01	1.19
	1.01	1.19

B. Other Current Assets

Unsecured, Considered Good Unless Otherwise Stated

Balance With Government Authorities	54.69	59.40
Prepaid Expense	8.19	9.52
Advance to employees - Considered Good	22.69	-
	85.57	68.92

Note - 11

Inventories (Lower Of Cost Or Net Realizable Value)

Stores, Spares And Chemicals In Hand	6.50	8.81
	6.50	8.81

*Management do not see any need to write down the inventories in view of COVID-19.

Note - 12

Investments

UTI Treasury Advantage Fund Nil Units (previous year :31 March 2020 : 21347.952 units)

- 202.50

- 202.50

-Direct Daily dividend re-investment (31 March 2020: NAV - ` 948.5586)

(` In Lakhs)

Particulars	31 March 2021	31 March 2020
-------------	---------------	---------------

Note - 13

Trade Receivables

Trade Receivable (Unsecured)

Considered Good 1,651.57 1,934.56

Considered Doubtful 409.11 464.93

2,060.68 2,399.49

Less: Allowance for expected credit loss (409.11) (464.93)

1,651.57 1,934.56

Note - 14

Cash And Cash Equivalents

Balances With Banks In Current Account 82.13 127.29

Bank Deposits having maturity of less than three months* 40.00 -

*includes interest accrued on bank deposits ` Nil
(Previous year ended 31 March 2020 ` Nil)

Cash On Hand 0.05 0.04

122.18 127.33

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* 6,184.98 5,371.75

6,184.98 5,371.75

*Includes ` 0.63 Lakhs (previous year 31 March 2020: ` 78.18 Lakhs) held under lien against bank guarantees.

*Includes interest accrued on bank deposits ` 263.47 lakhs (previous year 31 March 2020: ` 273.57 lakhs)

(₹ In Lakhs)

Particulars	31 March 2021 Amount	31 March 2020 Amount
-------------	-------------------------	-------------------------

Note - 16**Equity Share Capital****Authorised Share Capital**

1,200,000 (previous year 31 March 2020 : 1200,000) equity shares of par value of ₹ 100 each	1200.00	1200.00
	<u>1200.00</u>	<u>1200.00</u>

Issued Share Capital

900,000 (previous year 31 March 2020 : 900,000) equity shares of par value of ₹ 100 each	900.00	900.00
	<u>900.00</u>	<u>900.00</u>

Subscribed And Paid Up*

900,000 (previous year 31 March 2020 : 900,000) equity shares of par value of ₹ 100 each	900.00	900.00
	<u>900.00</u>	<u>900.00</u>

*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	900,000	900,000
Add : Bonus Shares Issued During The Year	-	-
Shares Outstanding At The End Of The Year	<u>900,000</u>	<u>900,000</u>

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

Name Of Shareholders	Number	Number
Engineers India Limited	900,000	900,000
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.

(₹ In Lakhs)

Particulars	31 March 2021 Amount	31 March 2020 Amount
-------------	-------------------------	-------------------------

Note - 18

A Other Financial Liabilities - Non-Current

Security Deposits And Retentions

33.00

15.59

33.0015.59

B Other Financial Liabilities - Current

Security Deposits And Retentions

26.37

26.75

Accrued Employee Benefits

161.58

131.19

187.95157.94

Note - 19

A Other Non-Current Liabilities

Deferred Income

0.85

1.67

0.851.67

B Other Current Liabilities

Advances Received From Clients

54.44

65.48

Deferred Income

2.49

1.39

Unearned Income Billed To Clients

124.69

112.51

Service Tax /GST Payable

76.32

52.76

Withholding For Income Taxes

32.00

39.00

Withholding For Employees Including Employers Contribution

30.82

28.59

Other Liabilities

68.32

34.29

389.08334.02

Note - 20

A Long-Term Provisions

Employees' Post Retirement/Long-Term

654.70

607.27

654.70607.27

B Short-Term Provisions

Employees' Post Retirement/Long-Term

34.53

42.06

Provision for corporate social responsibility

-

31.00

34.5373.06

Note - 21

Trade Payables

Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 44)

91.21

83.63

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

133.69

153.03

224.90236.66

Note - 22

Current Tax Liabilities (Net)

Provision for taxation (net of advance tax amounting to ₹ 196.82 Lakhs (previous year 31 March 2020 : ₹ 392.32 Lakhs)

182.87

21.44

182.8721.44

(₹ In Lakhs)

Particulars	31 March 2021	31 March 2020
Note - 23		
Revenue From Operations*		
Income From Services	4,906.27	4,919.49
	<u>4,906.27</u>	<u>4,919.49</u>
Increase/(Decrease) In Work-In-Progress		
Closing Work-In-Progress	7.82	3.09
Less : Opening Work-In-Progress	3.09	1.46
	<u>4.73</u>	<u>1.63</u>
	<u>4,911.00</u>	<u>4,921.12</u>
*Excludes Goods and Services Tax (GST)		
Note - 24		
Other Income		
Interest Income		
Bank Deposits	366.05	398.19
Income-Tax Refunds	17.07	32.12
Others - Misc	0.01	0.07
Amortization of Deferred Income	10.79	13.28
Capital Gain On Sale Of Mutual Fund Units	3.77	-
Dividend From Current Investments	-	1.48
Foreign Exchange Difference (Net)	-	0.28
	<u>397.69</u>	<u>445.42</u>
Note - 25		
Manpower Services		
Manpower Services	650.76	662.55
	<u>650.76</u>	<u>662.55</u>
Note - 26		
Employee Benefits Expenses		
Salaries And Allowances	1,994.49	2,012.08
Contribution towards employees pension and provident fund and administration charges thereon	123.70	118.51
Contribution towards National Pension System (NPS) and administration charges thereon	71.99	67.74
Staff Welfare	6.04	6.05
Contribution to Gratuity Fund (Net of contribution received from others)	13.55	10.12
	<u>2,209.77</u>	<u>2,214.50</u>
Note - 27		
Finance Cost		
Unwinding of Discount on Security Deposits	1.94	0.80
Interest on Lease Liabilities	0.75	-
	<u>2.69</u>	<u>0.80</u>

(₹ In Lakhs)

Particulars	31 March 2021	31 March 2020
Note - 28		
Depreciation And Amortisation Expenses		
Depreciation On Property, Plant And Equipment	13.19	11.90
Depreciation On Right of use assets	8.42	3.87
Amortisation Of Intangible Assets	0.63	0.70
	<u>22.24</u>	<u>16.47</u>
Note - 29		
Other Expenses		
A Facilities Cost		
Rent - Residential Accommodation (Net of Recovery of ₹ 2.56 lakhs (previous year: ₹ 2.73 lakhs)	29.79	30.96
Rental Expense	8.67	8.77
Rent - Office	68.36	50.12
Electricity And Water	29.44	22.29
Repairs To Building	2.35	2.59
Other Repairs And Maintenance	69.47	37.83
Hire Charges - Office Equipment	2.46	1.32
Insurance	3.31	5.66
	<u>213.85</u>	<u>159.54</u>
B Corporate Cost		
Bank Charges	1.40	0.96
Sitting Fees To Independent Directors	4.20	2.25
Advertisement for tender and recruitment	2.84	2.89
Entertainment	9.01	11.82
Remuneration To Auditors:		
For Audit	3.90	3.90
For Tax Audit	0.60	0.95
Certification	0.06	0.67
Out of Pocket	0.14	3.18
Filing Fee	0.22	0.08
Foreign Exchange Difference (Net)	1.74	-
Legal And Professional Charges	5.84	6.20
Licences And Taxes	32.83	28.64
	<u>62.78</u>	<u>61.54</u>
C Other Cost		
Travel And Conveyance	643.92	634.24
Printing, Stationery And General Office Supplies	8.93	10.87
Newspapers And Periodicals	0.02	0.15
Postage And Telecommunications	10.14	13.43
Capital Loss on sale of MF Units	-	13.36
Courier, Transportation And Handling	1.61	3.67
Allowance for expected credit losses - trade receivables and advances (net)	(55.82)	120.61
Bad debts Written Off	26.69	2.53
Corporate Social Responsibility Expenditure (Refer note below)	5.20	46.85
Miscellaneous Expenses	2.77	2.83
Training Expenses	0.99	4.96
	<u>644.45</u>	<u>853.50</u>

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 2020-21 - ₹ 30.10 lakhs (previous year: ₹ 31.25 lakhs)

(b) Amount spent during the financial year ended 31 March 2021 and 31 March 2020 on:

(₹ In Lakhs)

Particulars		In cash in Lakhs	Yet to be paid in Lakhs	Total in Lakhs
Construction/acquisition of any asset	31 March 2021	-	-	-
	31 March 2020	-	-	-
On purposes other than (i) above	31 March 2021	5.20	-	5.20
	31 March 2020	15.85	31.00-	46.85

(₹ In Lakhs)

Particulars	31 March 2021	31 March 2020
-------------	---------------	---------------

Note - 30

Income Tax

Tax Expense Comprises Of:

Current Income Tax

379.70

413.76

Earlier years tax adjustments (net)

-

(0.06)

Deferred Tax

(0.14)

(24.28)

Income Tax Expense Reported In The Statement Of Profit Or Loss

379.56

389.42

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

Statement Of Profit And Loss

Accounting Profit Before Tax

1,502.15

1,397.64

Accounting Profit Before Income Tax

1,502.15

1,397.64

At India's Statutory Income Tax Rate of 25.168 % (31 March 2020 : 25.168%)

378.06

351.76

Adjustments In Respect Of Current Income Tax

Tax expense adjusted in other comprehensive income

-

-

Tax Impact Of Exempted Income

-

(0.37)

Tax Impact Of Expenses Which Will Never Be Allowed

2.12

8.02

Earlier Years tax adjustments (net)

-

(0.06)

Earlier Years deferred tax adjustments (net)

-

29.66

Others

(0.62)

0.41

379.56

389.42

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

Note - 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.

	31 March 2021	31 March 2020
Profit Attributable To Equity Shareholders	1,122.59	1,008.22
Weighted Average Number Of Equity Shares	900,000	900,000
Nominal Value Per Share (Rs.)	100.00	100.00
Earnings Per Equity Share		
Basic	124.73	112.02
Diluted	124.73	112.02

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

(` In Lakhs)

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

31 March 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual funds	-	-	-	-
Total financial assets	-	-	-	-

Financial assets measured at fair value – recurring fair value measurements

(` In Lakhs)

31 March 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Mutual funds	202.50	-		202.50
Total financial assets	202.50	-	-	202.50

(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.

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Note - 33

Financial instruments

(i) Financial instruments by category

(` In Lakhs)

Particulars	31 March 2021		31 March 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Investments - Mutual funds	-	-	202.50	-
Trade receivables	-	1,651.57	-	1,934.56
Loans	-	-	-	18.18
Other financial assets	-	608.33	-	422.61
Cash and cash equivalents	-	122.18	-	127.33
Other bank balances	-	6,186.63	-	5,394.19
Security deposits	-	386.79	-	343.31
Total financial assets	-	<u>8,955.50</u>	<u>202.50</u>	<u>8,240.18</u>
Financial liabilities				
Trade payables	-	224.90	-	236.66
Security deposits and retentions	-	59.37	-	42.34
Other financial liabilities	-	161.58	-	131.19
Total financial liabilities	-	<u>445.85</u>	-	<u>410.19</u>

(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 have 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 are fully provided for

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

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

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

(₹ In Lakhs)

Credit rating	Particulars	31 March 2021	31 March 2020
A: Low credit risk	Cash and cash equivalents, other bank balances, loans and other financial assets	8546.39	7,589.40
B: Moderate credit risk	Trade receivable	180.40	216.58
C: High credit risk	Trade receivables	228.71	248.35

ii) *Concentration of trade receivables*

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

(₹ In Lakhs)

Particulars	31 March 2021	31 March 2020
Hydrocarbon	960.50	1,541.58
Infrastructure	623.88	663.71
Railways	171.88	34.77
Others	304.42	159.43
Total	2,060.68	2,399.49

(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 2021

(₹ In Lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	122.18	-	122.18
Other bank balances	6,184.98	-	6,184.98
Loans	-	-	-
Other financial assets	996.77	-	996.77

31 March 2020

(₹ In Lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	127.33	-	127.33
Other bank balances	5,394.19	-	5,394.19
Loans	18.18	-	18.18
Other financial assets	968.42	-	968.42

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

31 March 2021

(₹ In Lakhs)

Particulars	0 - 90 Days	90 - 180 Days	180 - 270 Days	270 - 360 Days	360 - 450 Days	450 - 540 Days
Gross carrying value	873.41	244.00	121.85	99.53	146.60	81.90
Expected credit loss (provision)	17.34	33.60	20.30	16.70	28.38	10.83
Carrying amount (net of impairment)	856.07	210.40	101.55	82.83	118.22	71.07

Particulars	540 - 630 Days	630 - 720 Days	720 - 1095 Days	>1095 days
Gross carrying value	44.43	17.64	202.61	228.71
Expected credit loss (provision)	8.10	2.26	42.89	228.71
Carrying amount (net of impairment)	36.33	15.38	159.72	-

31 March 2020

(₹ In Lakhs)

Particulars	0 - 90 Days	90 - 180 Days	180 - 270 Days	270 - 360 Days	360 - 450 Days	450 - 540 Days
Gross carrying value	1,239.49	402.81	123.44	88.83	92.10	46.04
Expected credit loss (provision)	45.75	19.84	10.37	1.62	69.81	16.47
Carrying amount (net of impairment)	1,193.74	382.97	113.07	87.21	22.29	29.57

Particulars	540 - 630 Days	630 - 720 Days	720 - 1095 Days	>1095 days
Gross carrying value	31.51	36.53	90.39	248.35
Expected credit loss (provision)	8.48	8.36	35.88	248.35
Carrying amount (net of impairment)	23.03	28.17	54.51	-

Reconciliation of loss provision – lifetime expected credit losses

(₹ In Lakhs)

Reconciliation of loss allowance	Trade receivables
Loss allowance on 31 March 2019	356.15
Impairment loss recognised/reversed during the year	108.78
Loss allowance on 31 March 2020	464.93
Impairment loss recognised/reversed during the year	(55.82)
Loss allowance on 31 March 2021	409.11

(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 2021	Less than 1 year	1 - 2 years	2 - 3 years	Total
Non-derivatives				
Trade payable	224.90	-	-	224.90
Security deposits and retentions	26.37	33.00	-	59.37
Other financial liabilities	161.58	-	-	161.58
Total	412.85	33.00	-	445.85

(` In Lakhs)

31 March 2020	Less than 1 year	1 - 2 years	2 - 3 years	Total
Non-derivatives				
Trade payable	236.66	-	-	236.66
Security deposits and retentions	26.75	15.59	-	42.34
Other financial liabilities	131.19	-	-	131.19
Total	394.60	15.59	-	410.19

(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 2021			31 March 2020		
	USD	EURO	GBP	USD	EURO	GBP
Trade receivables	-	0.19	-	1.31	8.49	-

Sensitivity

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

Particulars	31 March 2021			31 March 2020		
	USD	EURO	GBP	USD	EURO	GBP
Currency sensitivity						
Currency increase by 1%	-	-	-	0.01	0.08	-
Currency decrease by 1%	-	-	-	(0.01)	(0.08)	-

(` In Lakhs)

Particulars	31 March 2021	31 March 2020
	AED	AED
Trade Payables	8.80	6.23

Sensitivity

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

(` In Lakhs)

Particulars	31 March 2021	31 March 2020
Currency sensitivity	AED	AED
Currency increase by 1%	0.09	0.06
Currency decrease by 1%	(0.09)	(0.06)

(ii) Pricerisk

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 -

(` In Lakhs)

Particulars	31 March 2021	31 March 2020
Price sensitivity		
Price increase by (3 %)- FVTPL	-	6.08
Price decrease by (3 %)- FVTPL	-	(6.08)

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

(` In Lakhs)

	31 March 2021	31 March 2020
Equity share capital	900.00	900.00
Other equity	7167.27	6960.46

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 2021 and 31 March 2020.

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":

Sl. No.	Name of the Related Party	Nature of Relationship
1	Engineers India Limited ('EIL')	Holding company
2	Directors/Key Management Personnel (31 March 2021)	
	Shri Rakesh Kumar Sabharwal	Chairman (w.e.f 01.02.2021)
	Shri J. C. Nakra	Chairman (till 31.01.2021)
	Shri Om Prakash Mishra	Non-official Independent Director
	Ms. Anita Gurjar	Non-official Independent Director
	Shri Sunil Bhatia	Director
	Shri R. Mahajan	Director (till 31.08.2020)
	Shri Amitabh Budhiraja	Director
		Executive Director in Engineers India Limited

Sl. No.	Name of the Related Party		Nature of Relationship
	Shri Avneesh Sawhney	Director (w.e.f. 01.09.2020)	Executive Director in Engineers India Limited
	Shri G Suresh	Chief Executive Officer	Chief General Manager in Engineers India Limited
	Shri G.D.Goswami	Chief Financial Officer (till 31.12.2020)	-
	Shri Basant Kumar Das	Chief Financial Officer (w.e.f. 20.01.2021)	-
	Ms. Jaya Totlani	Company Secretary	-
3	Directors/Key Management Personnel (31 March 2020)		
	Shri J.C.Nakra	Chairman	Chairman and Managing Director in Engineers India Limited
	Shri Om Prakash Mishra	Non-official Independent Director	-
	Ms. Anita Gurjar	Non-official Independent Director (From 31.10.2019)	-
	Shri S.K.Handa	Director (Upto 17.05.2019)	Director (Projects) in Engineers India Limited
	Shri Sunil Bhatia	Director (w.e.f. 17.05.2019)	Director (Finance) in Engineers India Limited
	Shri R.Mahajan	Director	Executive Director in Engineers India Limited
	Shri Amitabh Budhiraja	Director	Executive Director in Engineers India Limited
	Shri G Suresh	Chief Executive Officer	Chief General Manager in Engineers India Limited
	Shri G.D.Goswami	Chief Financial Officer (w.e.f. 12.04.2019)	-
	Ms. Jaya Totlani	Company Secretary	-

(b) Related Party Transactions

During the year ended 31 March 2021, 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 2021	207.31	(60.70)
		31 March 2020	188.26	(45.50)
Execution of contract for Services	Holding Company	31 March 2021	836.40	313.23*
		31 March 2020	1,419.28	631.13*
Dividend (interim and final)	Holding Company	31 March 2021	927.00	-
		31 March 2020	647.00	-

*includes security deposit of ` 39.39 Lakhs and ` 31.85 Lakhs as 31.03.2021 and 31.03.2020 respectively.

(c) Director's remuneration:

Sitting fees paid to part time Directors for 31 March 2021 is ` 4.20 Lakhs (Previous year 31 March 2020: ` 2.25 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 KMP's

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Transaction during the year		
Remuneration	66.52	48.24
Rent Paid for residential accommodation	1.81	2.55
Balance as at year end		
Outstanding loans, interest and other receivables	NIL	NIL

Defined Benefit obligation for Key Management Personnel:-

(₹ in Lakhs)

Particulars	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Total Defined Benefit Obligation	9.23	19.84	17.80	13.33	0.67	0.19

Note – 36

Contingent Liabilities and Commitments

i) Contingent Liabilities:

- Income Tax assessments have been completed up to the assessment year 2018-2019. Tax liability, if any, in respect of pending assessment for subsequent assessment years up to assessment year 2020-21 cannot be ascertained. Due taxes on self-assessment basis have been paid.
- The Company had opted for Vivad se Viswas Scheme for the assessment year 2011-12 on 23.03.2020. Form 5 (Final certificate -VSVS) had been issued by Income tax dept. on 05.03.2021.
- 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.
- 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.
- The Company has filed an application for rectification (u/s 154) of processing mistakes amounting to ₹ 63.24 Lakhs (inclusive of interest) (Previous Year ₹ 63.24 Lakhs (inclusive of interest) in intimation u/s 143(1) for the assessment year 2016-17.
- The Company has filed an application for rectification (u/s 154) of processing mistakes amounting to ₹ 159.75 Lakhs (inclusive of interest) (Previous Year ₹ 7.85 Lakhs (inclusive of interest – Order u/s 143(1)) as demanded in order u/s 143(3) dated 09.04.2021 for the assessment year 2018-19.
- The Company has received rectification order (u/s 154) on 11.05.2021 of short refund of ₹ 2.90 Lakhs (Previous Year Nil) for the assessment year 2019-20.
- The Company has filed an appeal against a demand of service tax of ₹ 1092.02 Lakhs (inclusive of interest and penalty) (Previous Year ₹ 1053.62 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 (Previous Year - ₹ 1.20 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 2021	31 March 2020
Contributory Provident Fund and Employees' Pension Scheme, 1995	123.70	118.51
Contributory National Pension System (NPS)	71.99	67.74

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, 2021 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 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Present value of obligations as at the end of year	427.43	421.68	665.47	582.19	25.93	22.79
Fair value of plan assets as at the end of the year	429.62	377.34	--	--	--	--
Amount Not Recognised due to asset limit	--	--	--	--	--	--
Funded status	(2.19)	44.34	(665.47)	(582.19)	(25.93)	(22.79)
Net (asset)/liability recognized in balance sheet	(2.19)	44.34	665.47	582.19	25.93	22.79

b) Expenses recognized in statement of profit and loss

(₹ In Lakhs)

	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Current service cost	10.88	11.79	122.47	115.94	2.38	2.19
Past service cost	--	--	47.11	--	--	--
Interest on net benefit asset/liability	2.67	(1.68)	38.27	37.02	1.44	1.45
Re-measurements gains/losses	--	--	(8.86)	44.92	0.17	1.28
Expenses recognized in statement of profit and loss	13.55	10.11	198.99	197.88	3.99	4.92

c) Expenses recognized in Other comprehensive income

(₹ In Lakhs)

	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Actuarial (gains)/loss	--	--	--	--	--	--
Change in financial assumption	(8.76)	53.34	--	--	--	--
Change in demographic assumption	--	(0.22)	--	--	--	--
Experience adjustments	(4.18)	2.70	--	--	--	--
Actual return on plan assets	(2.06)	1.07	--	--	--	--
Adjustments to recognise the effect of asset ceiling	--	(1.16)	--	--	--	--
Expenses recognized in other comprehensive income	(15.00)	55.73	--	--	--	--

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

(₹ In Lakhs)

	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Present value of obligations as at beginning of year	421.68	331.02	582.19	493.62	22.79	18.90
Interest cost	27.82	25.65	38.27	37.02	1.44	1.45
Current service cost	10.88	11.79	122.47	115.94	2.38	2.19
Past service cost	--	--	47.11	--	--	--
Actuarial (gain)/loss on obligations	(12.95)	55.82	(8.86)	44.91	0.17	1.28
Benefit paid	(20.00)	(2.60)	(115.71)	(109.30)	(0.85)	(1.03)
Present value of obligations as at end of year	427.43	421.68	665.47	582.19	25.93	22.79

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 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Fair value of plan assets as on beginning of year	377.34	353.61	--	--	--	--
Interest on plan assets	25.15	27.40	--	--	--	--
Re-measurements due to actual return on plan assets less interest on plan assets	2.06	(1.07)	--	--	--	--
Contributions	45.07	--	--	--	--	--
Benefits paid	(20.00)	(2.60)	--	--	--	--
Fair value of plan assets at the end of year	429.62	377.34	--	--	--	--

f) Actuarial Assumptions

(₹ In Lakhs)

	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Discount rate	6.95%	6.80%	6.95%	6.80%	6.95%	6.80%
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	0.82%
41 – 50	1.25%
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 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Weighted average of the defined benefit obligation	13.49 Years	13.79 Years	12.20 Years	12.55 Years	8.76 Years	7.70 Years	4.81 Years	4.95 Years
Duration of defined benefit obligation								
Duration (years)								
1	5.97	25.07	15.82	25.21	14.70	13.60	4.00	3.25
2	5.94	5.68	16.31	14.78	15.06	13.04	6.05	0.92
3	6.24	5.65	17.13	15.26	15.45	13.33	3.03	5.47
4	7.00	5.94	18.26	16.04	15.85	13.64	0.71	2.72
5	7.41	6.62	19.21	17.06	16.26	13.97	2.68	0.66
6	8.17	7.01	20.52	17.97	16.68	14.30	0.85	2.42
7	27.64	7.73	21.64	19.07	25.41	14.64	4.98	0.78
8	42.50	27.05	52.24	21.54	18.14	14.99	2.53	4.50
9	8.96	41.34	22.49	50.39	16.31	14.63	0.41	2.28
Above 10	1103.20	1090.96	1034.46	987.18	255.48	139.16	11.45	10.65

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

	Gratuity (funded)		Leave Encashment (Unfunded)		Long Service Awards (Unfunded)	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Fund managed by insurer	100%	100%	--	--	--	--

i) Sensitivity Analysis Gratuity (Funded)				
Particulars	Discount rate		Salary escalation rate	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Impact of increase in 50 bps on defined benefit obligation	-6.47%	-6.60%	1.09%	1.14%
Impact of decrease in 50 bps on defined benefit obligation	7.04%	7.21%	-1.15%	-1.38%

Leave Encashment (Earned Leave) (Unfunded)				
Particulars	Discount rate		Salary escalation rate	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Impact of increase in 50 bps on defined benefit obligation	-5.86%	-6.02%	6.20%	6.38%
Impact of decrease in 50 bps on defined benefit obligation	6.36%	6.55%	-5.78%	-5.92%

Leave Encashment (Half Pay Leave) (Unfunded)				
Particulars	Discount rate		Salary escalation rate	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Impact of increase in 50 bps on defined benefit obligation	-4.24%	-3.74%	4.42%	3.87%
Impact of decrease in 50 bps on defined benefit obligation	4.53%	3.97%	-4.18%	-3.68%

Long Service Awards (Unfunded)				
Particulars	Discount rate		Salary escalation rate	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Impact of increase in 50 bps on defined benefit obligation	-2.33%	-2.40%	-2.53%	-2.59%
Impact of decrease in 50 bps on defined benefit obligation	2.44%	2.51%	2.88%	2.26%

Note – 38

Proposed Dividend

(₹ In Lakhs)

Proposed dividend on equity shares	31 March 2021	31 March 2020
Proposed Final dividend for 31 March 2021 (₹ 47.00 per share) (previous year 31 March 2020 : ₹ 50.00 per share)	423.00	450.00
Total	423.00	450.00
Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as liability.		

Note – 39

CSR activity reserve amounting to ₹ 73.52 Lakhs as on 31 March 2021 (Previous year 31 March 2020: ₹ 48.62. Lakhs Lakhs) represents unspent amount out of amounts set aside for meeting social obligations as per Department of Public Enterprise guidelines and the Companies Act 2013 for Corporate Social Responsibility

Note – 40

There is no impairment of cash generating assets during the year in terms of Ind AS 36 "Impairment of Assets". including impact due to COVID-19.

Note – 41

Liability in respect of 'Performance Related Pay', amounting to ₹ 56.74 Lakhs (previous year 31 March 2020: ₹ 48.46 Lakhs) for the employees for the year ended on 31 March 2021 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 2021 ₹ 653.07 Lakhs , inclusive of Expired BG of ₹ 19.75 Lakhs, (previous years 31 March 2020 ₹ 668.06 Lakhs, inclusive of Expired BG of ₹ 14.04 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 company is given below:

(₹ In Lakhs)

S. No.	Particulars	31 March 2021	31 March 2020
i	Amount due and payable at the year end		
	- Principal	91.21	83.63
	- 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 2021	31 March 2020
Revenue from Operations	4911.00	4921.12
Other Income	397.69	445.42
Total Revenue	5308.69	5366.54

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 2021	31 March 2020
Trade Receivables (Note No. 13) – Net of Allowance for expected credit losses	1651.57	1934.56
Contract Assets (Unbilled Revenue) (Note No. 7 B)	600.51	419.52
Contract Liabilities (Income Received in Advance) (Note No. 19 B)	124.69	112.51

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, 2021, ` 419.52 Lakhs of unbilled revenue as of April 1, 2020 (Previous year Rs. 446.63 Lakhs) has been reclassified to Trade receivables upon billing to customers.

During the year ended March 31, 2021, the company recognized revenue of ` 112.51 Lakhs arising from opening unearned revenue as of April 1, 2020 (Previous year Rs. 202.54 Lakhs)

During the year ended March 31, 2021, the company recognised revenue of ` 3.09 Lakhs ((Previous year Rs. 1.46 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 2021 is ` 4253.47 Lakhs (Previous year ` 4305.91 Lakhs). Out of this, the Company expects to recognize revenue of around 35% within the next one year and the remaining thereafter.

Note – 48

The Company has adopted measures to curb the impact of COVID-19 pandemic in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of workspaces etc. The Company's total revenue from operations and profit for the current year were impacted due to the lock-down. The Company has considered the impact of this pandemic on its business operations and financial results based on its review of current indicators of future economic conditions and expects that the carrying amount of the assets will be recovered. However, the impact assessment of COVID-19 pandemic is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.

Note – 49

During the year Company shifted its corporate office from CBD Belapur, Navi Mumbai to Kharghar, Navi Mumbai and Books of accounts and related papers are maintained at new corporate office i.e. Kharghar, Navi Mumbai.

Note – 50

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

For and on behalf of Certification Engineers International Limited

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

(J. TOTLANI)
Company Secretary
PAN : BGIPK9258H

(BASANT K DAS)
Chief Financial Officer
PAN : AEUPD5295E

(G. SURESH)
Chief Executive Officer
PAN : AGLPS8759H

(R.K. SABHARWAL)
Chairman
DIN : 07484946

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

Place : New Delhi
Date : June 1, 2021

**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 2021**

The preparation of financial statements of Certification Engineers International Limited for the year ended 31 March 2021 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 1 June 2021.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statement of Certification Engineers International Limited for the period ended 31 March 2021 under Section 143(6)(a) of the Act.

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



(D. K. Sekar)
Director General of Audit (Energy),
Delhi

Place : New Delhi
Dated : 06 July 2021



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

Head Office : Engineers India Bhawan, First Floor, Plot 85, Sector II,
Kharghar, Navi Mumbai, Dist. - Raighad, Maharashtra - 410210
Tel. : 022-27528700 Email : Marketing@ceil.co.in/Ceilmby@ceil.co.in