



**S. B. G. & Co.**

*Chartered Accountants*

**INDEPENDENT AUDITORS' REPORT**

**TO  
THE MEMBERS OF  
CERTIFICATION ENGINEERS INTERNATIONAL LIMITED**

**Report on the Audit of the Standalone Ind AS Financial Statements**

**Qualified Opinion**

We have audited the standalone accompanying Ind AS financial statements of **Certification Engineers International Limited** which comprise the Balance Sheet as at 31 March 2022, 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 31<sup>st</sup> March, 2022 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 31<sup>st</sup> March 2022, and profit (including other comprehensive income), its cash flow and the changes in equity for the year ended on that date.

**Basis for Qualified 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 Ind AS Financial Statements section of our report. We are Independent of the Company in accordance with the Code Of Ethics issued by the Institute of Chartered accountants of India (ICAI) together with the ethical 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

**Qualified Opinion** on the Standalone Ind AS financial statements:

**S.B.G. & Company**

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E-mail : sbg@sbg.co.in, sbgdelhi@gmail.com



1. *During the period covered under audit, the Company has issued credit note, crediting trade receivable and debiting revenue from operations, to the tune of Rs 27.51 Lakh pertaining to the Service Tax Regime, i.e., on or before 30/06/2017, and out of such Rs. 27.51 Lakh of credit note issued during the period under audit, issued fresh invoices of Rs. 19.12 Lakh during the year under consideration levying GST thereon, debiting trade receivable and crediting revenue from operations, in violation of Section 142 of the CGST Act, 2017. (For detailed discussion, please refer to Para No. 1 of the Annexure – “C” forming part of the Audit Report)*
2. *The Company has written off Bad Debts to the tune of Rs 38.95 Lakh as depicted in Note No. 27C of the financial statements, out of which writing off of the debt to the tune of Rs. 2.14 Lakh has not been approved by the Board of Directors of the Company in their meeting held during the period covered under audit, i.e., on or before 31.03.2022. It has no impact upon the financial statement of the period covered under audit since the debt written off of Rs. 2.14 lakh stood provided for in full by way of expected credit loss in earlier year which was reversed during the period under consideration while recognizing bad debt. (For detailed discussion, please refer to Para No: 2 of the Annexure – “C” forming part of the Audit Report)*
3. *The Company has not restated its financial statements in respect of material prior period errors of Rs. 64.12 Lakh as per Para 42 of Ind AS-8 namely, “Accounting Policies, Changes in Accounting Estimate and Errors”. It has resulted into understatement of profit for the year and overstatement of opening balance of retained earnings forming part of reserve & surplus under Other Equity by the amount of Rs. 64.12 lakh. (For detailed discussion, please refer to Para No: 3 of the Annexure – “C” forming part of the Audit Report)*
4. *During the period covered under audit, the Company has awarded contract to the empanelled agencies by making enquiry from empanelled agencies for new manpower jobs whose estimate was more than Rs. 1.15 crore, and as such violated the mandatory condition of Contract & Purchase Procedure approved by the Board of Directors of the Company on 01.06.2021 which requires*





*mandatory floating of Open Tender for estimate of more than Rs. 25 lakh. (For detailed discussion, please refer to Para No: 4 of the Annexure –“C” forming part of the Audit Report)*

5. *During the period covered under audit, the Company has issued credit note, crediting trade receivable, debiting revenue from operations and reversing GST liability, to the tune of Rs. 1.43 crore to whom invoices were issued and corresponding revenue was recognized in earlier years on or after 01/07/2017 but before 31/03/2021, and simultaneously issued fresh invoices for the same amount during the year under consideration, debiting trade receivable, crediting revenue from operations and levying GST thereon. In the absence of any service rendered to such trade receivable against such fresh invoice during the year under consideration, raising of fresh invoice is in violation of Section 13 of the CGST Act, 2017 which requires the raising of invoice within 30 days of the rendering of service. (For detailed discussion, please refer to Para No: 5 of the Annexure –“C” forming part of the Audit Report)*

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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





## **Responsibility of Management for the Financial Statements and those charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act' 2013 ("the Act") with respect to the preparation of these Ind AS financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, the Statement of change 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.





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

- Identify and assess the risks of material misstatement of the Ind AS 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013 we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 ability of the Company 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and





in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit on the Ind AS financial statements subject to non-obtaining the information stated in the basis for qualified opinion paragraph.

#### **Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the order"), issued by the Central Government 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 Companies (Indian Accounting Standards) Rules, 2015, as amended.



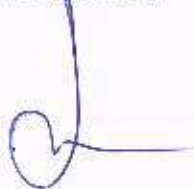


- c) Provisions of section 164 of the Companies Act, 2013 are not applicable to the Government Company in terms of GSR 463(E) dated 5<sup>th</sup> June 2015 issued by Ministry of Corporate Affairs, Government of India.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure- B”.
- g) Based upon the audit procedures performed and the information and explanations given by the management, we report that as per Notification No. GSR 463(E) dated June 5, 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 read with Schedule V to the Companies Act, 2013 is not applicable to the Government Companies.
- h) 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:
- The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note No. 35.
  - The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For S.B.G. & Co**

**Chartered Accountants**

**FRN : 001818N**



**(CA S.B. Gupta)**

**Partner**

**M. No.: 089415**

**Place: New Delhi**

**Dated: 25/05/2022**

**UDIN: 22089415AJRZYL6877**





### Annexure- A to the Auditors' Report

- i. The Annexure referred to in independent Auditors' Report to the members of the company on the standalone Ind AS financial statements for the year ended 31 March 2022, we report that:

Clause	Description of Clause	Auditor's Remarks												
(i)	<p>(a) (A) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;</p> <p>(B) whether the company is maintaining proper records showing full particulars of intangible assets;</p>	Yes												
	<p>(b) whether these Property, Plant and Equipment have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account</p>	Yes												
	<p>(c) whether the title deeds of all the immovable properties. (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company. If not, provide the details thereof in the format below;</p> <table><tr><th>Description of Property</th><th>Gross Carrying value</th><th>Held in name of</th><th>Whether Promoter Director or their relative or employee</th><th>Period held indicate range where appropriate</th><th>Reason for not being held in name of company</th></tr><tr><td>NA</td><td></td><td></td><td></td><td></td><td></td></tr></table>	Description of Property	Gross Carrying value	Held in name of	Whether Promoter Director or their relative or employee	Period held indicate range where appropriate	Reason for not being held in name of company	NA						<p>The Company is having leasehold property situated at CBD Belapur, Navi Mumbai, the title deeds of which is in the name of the company</p>
Description of Property	Gross Carrying value	Held in name of	Whether Promoter Director or their relative or employee	Period held indicate range where appropriate	Reason for not being held in name of company									
NA														





	d) Whether the Company has revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year and, if so, whether the revaluation is based on the valuation by a Registered Valuer; specify the amount of change, if change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or intangible assets;	No
	(e) Whether any proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder; if so, whether the Company has appropriately disclosed the details in its financial statements;	No
(ii)	(a) whether physical verification of inventory has been conducted at reasonable intervals by the management and whether, in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate; whether any discrepancies of 10% or more in the aggregate for each class of inventory were noticed and if so, whether they have been properly dealt with in the books of account;	<p>The company being a service company does not have inventory of raw material or finished goods etc. Inventory generally consists of stock of office stationary.</p> <p>Physical verification of inventory has been conducted at reasonable intervals by the management</p>
	(b) whether during any point of time of the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets; whether the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company. If not, give details.	Clause not applicable
(iii)	whether during the year the company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability	Clause not applicable



	<p>Partnerships or any other parties. If so,</p> <p>(a) whether during the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity [not applicable to companies whose principal business is to give loans], if so, indicate-</p> <p>(A) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates.</p> <p>(B) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates.</p>	
	(b) whether the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;	Clause not applicable
	(c) in respect of loans and advances in the nature of loans whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	Clause not applicable
	(d) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	Clause not applicable
	(e) whether any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties; If so, specify the aggregate amount of such dues renewed or extended or settled by fresh loans and the percentage of the aggregate to the total loans or advances in the nature of loans granted during the year. [Not applicable to companies whose principal business is to give loans];	Clause not applicable
	(f) whether the Company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment; if so, specify the aggregate amount, percentage thereof to the total loans granted, aggregate amount of loans granted to	Clause not applicable





	Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013	
(iv)	in respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	Clause not applicable
(v)	in respect of deposits accepted by the Company or amounts which are deemed to be deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	Clause not applicable
(vi)	whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act and whether such accounts and records have been so made and maintained	Clause not applicable
(vii)	(a) whether the company is regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;	Yes
	(b) where statutory dues referred to in sub-clause (a) have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	As per details mentioned in the respective paragraph



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	1130.41*	April 2004 to March 2013	CESTAT
Income Tax Act, 1961	Rectification u/s 154	63.24	AY 2016-17	AO
Income Tax Act, 1961	Rectification u/s 154	124.37	AY 2015-16	AO

\*Inclusive of interest and penalty.

(viii)	whether any transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961; if so, whether the previously unrecorded income has been properly recorded in the books of account during the year?	Clause not applicable
(ix)	(a) whether the company has defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender? If yes, the period and the amount of default to be reported as per the format below:	Clause not applicable
	(b) Whether the company is a declared wilful defaulter by any bank or financial institution or other lender?	Clause not applicable
	(c) Whether term loans were applied for the purpose for which the loans were obtained; if not, the amount of loan so diverted and the purpose for which it is used may be reported	Clause not applicable
	(d) whether funds raised on short term basis have been utilised for long term purposes? If yes, the nature and amount to be indicated	Clause not applicable
	(e) whether the Company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures? If so, details thereof with nature of such transactions and the amount in each case	Clause not applicable





	(f) whether the Company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies? If so, give details thereof and also report if the company has defaulted in repayment of such loans raised.	Clause not applicable
(x)	(a) whether moneys raised by way of initial public offer or further public offer (including debt instruments) during the year were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	Clause not applicable
	(b) whether the Company has made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and if so, whether the requirements of Section 42 and Section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised. If not, provide details in respect of amount involved and nature of non-compliance	Clause not applicable
(xi)	(a) whether any fraud by the company or any fraud on the Company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	Clause not applicable
	(b) whether any report under sub-Section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government?	Clause not applicable
	(c) Whether the auditor has considered whistle-blower complaints, if any, received during the year by the Company?	The company has given a declaration that during the period under audit, no whistle blower complaint have been received by it.
(xii)	(a) whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1:20 to meet out the liability	Clause not applicable



	(b) whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	Clause not applicable
	(c). whether there has been any default in payment of interest on deposits or repayment thereof for any period and if so, the details thereof	Clause not applicable
(xiii)	whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	<p><i>Section 177 approval of Related Party Transactions by Audit Committee is not applicable on the Company as Company does not get covered under Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 , However As per sub clause of 7.1.1 of clause 7 of DPE Guidelines, summary of related party transaction shall be placed periodically before the Audit Committee. The Audit Committee has failed to review Related Party Transactions periodically during the period under audit.</i></p> <p><i>As regard to the applicability of Section 188 the Company claims to have carried out Related Party Transactions at an arm length price.</i></p>
(xiv)	<p>(a) whether the company has an internal audit system commensurate with the size and nature of its business?</p> <p>(b) Whether the reports of the Internal Auditors for the period under audit were considered by the statutory auditor?</p>	<p><i>Yes but the reports of internal auditors for the second half of the financial year under audit, i.e. from 01.10.2021 to 31.03.2022, have not been shared with us.</i></p>
(xv)	whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act have been complied with;	Clause not applicable
(xvi)	(a) whether the company is required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	Clause not applicable





	(b) whether the Company has conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act 1934	Clause not applicable
	(c) whether the Company is a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India? If so, whether it continues to fulfil the criteria of a CIC and In case the company is an exempted or unregistered CIC, whether it continues to fulfil such criteria	Clause not applicable
	(d) Whether the Group has more than one CIC as part of the Group, If yes, indicate the number of CICs which are part of the Group.	Clause not applicable
(xvii)	whether the Company has incurred cash losses in the Financial Year and in the immediately preceding Financial year? If so, state the amount of cash losses	Clause not applicable
(xviii)	whether there has been any resignation of the statutory auditors during the year? If so, whether the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors?	Clause not applicable
(xix)	on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, whether the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.	No adverse comments
(xx)	(a) whether, in respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.	Yes



(xxi)	whether there have been any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements? If yes, indicate the details of the companies and the paragraph numbers of the CARO report containing the qualifications or adverse remarks	Clause not applicable
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**For S.B.G. & Co**

**Chartered Accountants**

**FRN : 001818N**

**(CA S.B. Gupta)**

**Partner**

**M. No.: 089415**

**Place: New Delhi**

**Dated: 25/05/2022**

**UDIN: 22083415AJRZYLG877**





**SUPPLEMENTARY- DIRECTIONS TO THE STATUTORY AUDITORS**

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 2021-22.
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 S.B.G. & Co****Chartered Accountants****FRN: 001818N****(CA. S.B. Gupta)****Partner****M. No.: 089415****Place: New Delhi****Dated: 25/05/2022****UDIN: R2089415AJRZYL6877**

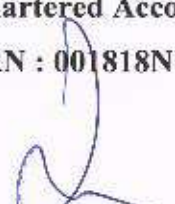
## COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of **M/s Certification Engineers International Ltd**, for the year ending 31<sup>st</sup> March 2022 in accordance with the directions/sub directions issued by the Comptroller and Auditor General of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/ sub-directions issued to us.

**For S.B.G. & Co**

**Chartered Accountants**

**FRN : 001818N**

  
**(CA S.B. Gupta)**

**Partner**

**M. No.: 089415**

**Place: New Delhi**

**Dated: 25/05/2022**

**UDIN: 22089415AJRZYL6877**





## **ANNEXURE-B to the Auditor's 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 2022 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.

### **Qualified Opinion**

**According to the information and explanations given to us and based on our audit, the following material weakness have been identified as at March 31, 2022**

- *The Company did not have an appropriate internal financial control system with regard to the control activities in compliance of payment mechanism to the vendors and as such we have found one such instance wherein rent of Rs 8000/- was excessively paid by the Company in the account of Mr. Aman Arora in the month of January, 2022 instead of crediting the amount to Mr. Anil Dhinwa. This type of excess payment in the account of vendor raises serious doubts as to check in procedure prevalent in the respective software of the company by which payments are processed and defeat the very purpose of internal financial control.*
- *The Company did not have appropriate internal financial control system with respect to the Corporate Governance and as such during the period under audit major non-compliances in the nature of Proper constitution of the Board, Audit Committee have emerged out but also various matters to be taken up by the Board as well as Audit Committee have been missed out in the respective meetings which have been discussed in detail separately in part of our report on Corporate Governance.*
- *The Company did not have appropriate internal financial control system with respect to the identification of Prior Period Errors and their materiality on the financial statements if any, and as such during the course of audit it has been observed that the Company has failed to identify material prior period errors of Rs 64.12 Lakhs and also failed to restate their financials as per Ind AS-8*



*A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.*

*In our opinion, because of the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company needs improvement to have adequate and effective internal financial controls over financial reporting as of March 31, 2022, 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.*

*We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2022 Ind AS financial statements of the Company, and these material weaknesses adversely affect our opinion on the Ind AS financial statements of the Company.*

**For S.B.G. & Co**

**Chartered Accountants**

**FRN : 001818N**

  
**(CA S.B. Gupta)**



**Partner**

**M. No.: 089415**

**Place: New Delhi**

**Dated: 25/05/2022**

**UDIN: 22089415-ATRYLG877**



## ANNEXURE-C to the Auditor's Report

### 1. Credit Note pertaining to Service Tax Regime :

During the course of Audit it has been observed that the Company has issued credit note to the tune of Rs 27.51 Lakhs as depicted in Table A below pertaining to the Service Tax Regime ie on or before 30/06/2017 and re-issued fresh invoices to the tune of Rs 19.12 Lakhs as depicted in Table B out of credit note of Rs 27.51 Lakhs in violation of Section 142 of the GST Act, 2017.

As per Section 142 of the GST Act, 2017 where, in pursuance of a contract entered into prior to the appointed day, the price of any goods or services or both is revised upwards on or after the appointed day, the registered person who had removed or provided such goods or services or both shall issue to the recipient a supplementary invoice or debit note, containing such particulars as may be prescribed , within thirty days of such price revision and for the purpose of this Act such supplementary invoice or debit note shall be deemed to have been issued in respect of an outward supply made under this Act.

Where, in pursuance of a contract entered into prior to the appointed day, the price of any goods or services or both is revised downwards on or after the appointed day, the registered person who had removed or provided such goods or services or both may issue to the recipient a credit note, containing such particulars as may be prescribed , within thirty days of such price revision and for the purpose of this Act such credit note shall be deemed to have been issued in respect of an outward supply made under this Act.

*As per the requirement of Section 142 of the GST Act, 2017 all the credit note or debit note had to be issued within thirty days at the time of transition phase of GST roll-over ie from the appointed date. Issuing credit note and subsequent issue of fresh invoices pertaining to the service tax regime during the period under audit is in violation of transition provisions of the GST Act, 2017. In nutshell the issue of credit note amounting to Rs 27.51 Lakhs and issue of fresh invoices to the tune of Rs 19.51 Lakhs are not in conformity with the true spirits of transition provisions of GST Act, 2017*



Table A

Cr Note No.	CN Date	Job No	Customer Name	Fees Amount	Service Tax @ 14%	S.B.Ce ss @ 0.5%	K.K.Ce ss @ 0.5%	Total	Old Invoice No.	Date
STCN212 2001	31/10/2021	9422A	VADODARA URBAN DEVELOPMENT AUTHORITY	575256.00	80535	2876	209	658876.00	1732, 0064 & 1643	31/01/2016, 09/04/2016 & 30/12/2016
STCN212 2002	25/11/2021	9422A	VADODARA URBAN DEVELOPMENT AUTHORITY	64868.00	9082	324.4	324.34	74598.68	1641	30/12/2016
STCN212 2003	25/11/2021	9422A	VADODARA URBAN DEVELOPMENT AUTHORITY	52291	7320.4	261.46	261.46	60134.66	1642	30/12/2016
STCN212 2004	25/11/2021	9422	Rajkanal Builders Infrastr Pvt Ltd	39398	5516	197	197	45308.00	663, 665 & 769	30/06/2017
STCN212 2005	31/01/2022	9545	Reliance Industries Limited	592742	82984			675726.00	118	30/09/2015
STCN212 2006	31/01/2022	9545	Reliance Industries Limited	520161	72823			592984.00	1400	12/11/2015
STCN212 2007	31/01/2022	9545	Reliance Industries Limited	200000	28000	500	500	229000.00	160	19/04/2016
STCN212 2008	31/03/2022	9525	Additional City Engineer-RMC	226281	31679	1131	1131	260222.00	516	28/06/2017
STCN212 2009	31/03/2022	9525	Executive Engineer-RMC	51859	7260	259	259	59637.00	565	30/06/2016
STCN212 2011	31/03/2022	9525	Executive Engineer-RMC	28763	4027	144	144	33078.00	0566	30/06/2016
Revenue Debited	30/06/2021	9422	VMSS	399738	55963.32	1998.69	1998.69	459698.7		2013-14/2014-15
			<b>Total.</b>	<b>2751357.00</b>	<b>385190.06</b>	<b>7691.49</b>	<b>5024.49</b>	<b>3149263.04</b>		





**Table B**

Old Invoice No.	Date	New Invoice No.	Date	Fees Amount	IGST
1732, 0064 & 1643	31/01/2016, 09/04/2016 & 30/12/2016	27000212201201	26/10/2021	570503	
663, 665 & 769	30/06/2017	1548 & 1545	30/11/2021	29520	5314
118	30/09/2015	27000212201902	31/01/2022	592742	106694
1400	12/11/2015	27000212201903	31/01/2022	520161	93629
160	19/04/2016	27000212201904	31/01/2022	200000	36000
				<b>1912926.00</b>	<b>241637.00</b>

## 2. Bad Debts not approved by the Board

During the course of audit it has been observed that Bad debts to the tune of Rs 38.95 Lakhs have been booked under Note No 27C of the financial statements out of which Bad debts to the tune of Rs 2.14 Lakhs have not been approved by the Board of Directors in their meeting held on or before 31.03.2022. The details of Bad debts to the tune of Rs 2.14 Lakhs not approved by the Board are being presented below :

Sr. No.	CEIL Job No.	Client	INVOICE NO	INVOICE DATE	Written Off Amount
1	9422	VUDA	1732	13/01/2016	59,070.00
2	9545	RIL	1118	30/09/2015	82,984.00
3	9545	RIL	1400	12/11/2015	72,823.00
<b>Total</b>					<b>214,877.00</b>



### 3. Prior Period Errors

As per Para 42 of Ind AS -8(Accounting Policies, Changes in Accounting Estimate and Errors)- An entity shall correct material prior period errors retrospectively in the first set of financial statements approved for issue after their discovery by :

- (a) Restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- (b) If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented

Wherein as per company policy the material prior period have been considered to be 3% of the PBT. During the course of audit prior period errors to the extent of Rs 64.12 lakhs have been identified which are more than the 3% of PBT of the Company. The prior period errors have been identified in Table A & Table B.

**Table A**

Cr Note No.	CN Date	JobNo	Customer Name	Prior Period Amount (Credit Note)	Invoice Dated
CN212200006	30.04.2021	9410	Engineers India Limited	24,900.00	31-Mar-21
CN212200059	29.07.2021	9305	A-1 Fence Products Company Pvt Ltd	22,000.00	10-Mar-21
CN212200067	31.07.2021	9592	Engineers India Limited	78,201.80	31-Aug-18
CN212200068	31.07.2021	9592	Engineers India Limited	4,300.00	22/04/2019 & 19/10/2019
CN212200069	31.07.2021	9410	Engineers India Limited	117,438.00	31-Dec-19
CN212200070	31.07.2021	9410	Engineers India Limited	177,350.00	14-Oct-20
CN212200073	31.07.2021	9410	Engineers India Limited	149,418.00	10-Oct-20





CN212200080	31.08.2021	9595D	Amritsar Cantonment Board	2,406.78	16-Apr-20
CN212200081	31.08.2021	9615	NBCC (India) Ltd	23,666.68	20-Nov-19
CN212200092	27.09.2021	9628	Tata Project Ltd	44,250.00	15-Oct-20
CN212200093	27.09.2021	9626	Tata Project Ltd	38,350.00	15-Oct-20
CN212200095	30.09.2021	9410	Engineers India Limited	28,796.00	17-Apr-20
CN212200096	30.09.2021	9607	Engineers India Limited	74,724.00	20-Nov-20
CN212200098	30.09.2021	9592	Engineers India Limited	750.00	26-Feb-21
CN212200099	30.09.2021	9607	Engineers India Limited	11,122.00	12-Oct-20
CN212200100	30.09.2021	9410	Engineers India Limited	15,163.00	20-May-20
CN212200101	30.09.2021	9607	Engineers India Limited	4,982.00	12-Oct-20
CN212200102	30.09.2021	9548	Engineers India Limited	15,832.05	20-Sep-20
CN212200103	30.09.2021	9548	Engineers India Limited	2,560.00	12-Oct-20
CN212200123	30.09.2021	9306	M. M. Shawl Engineers & Contractors P Ltd	59.00	30-Nov-20
CN212200124	30.09.2021	9306	New Valley Hardware Store	844.00	30-Nov-20
CN212200125	30.09.2021	9306	Friends Engineering Works	780.00	31-Aug-20
CN212200126	30.09.2021	9305	ARB Conveyors	491.00	31-Dec-20
CN212200127	30.09.2021	9308	HOF Furniture System Private Limited	341.00	05-Oct-20
CN212200128	30.09.2021	9308	Laxmi Engineers	65.00	13-Jan-21
CN212200129	30.09.2021	9586	Konkan Railway Corporation Limited	16,141.00	16-Dec-20
CN212200130	30.09.2021	9410	Engineers India Limited	289,081.00	24-Jun-20



CN212200131	30.09.2021	9607	Engineers India Limited	20,236.00	29-Oct-20
CN212200132	30.09.2021	9592	Engineers India Limited	697.00	30-Jun-20
CN212200161	25.11.2021	9617	Nashik Municipal Smart City Development	21,758.62	16-Mar-21
CN212200163	25.11.2021	9422	Rajkamal Builder Infrastructure Pvt Ltd	10,800.00	31-Oct-17
CN212200165	25.11.2021	9422	Rajkamal Builder Infrastructure Pvt Ltd	72,996.00	31-Mar-19
CN212200166	25.11.2021	9422	Rajkamal Builder Infrastructure Pvt Ltd	125,744.00	31-Mar-19
CN212200167	25.11.2021	9422	Rajkamal Builder Infrastructure Pvt Ltd	20,280.00	31-Mar-19
CN212200173	22.12.2021	9432	Surat Municipal Corporation	59,113.90	16-Mar-18
CN212200174	22.12.2021	9432	Surat Municipal Corporation	17,598.00	19-Mar-18
CN212200175	22.12.2021	9432	Surat Municipal Corporation	43,239.00	21-Jan-20
STCN2122002	25.11.2021	9422A	VADODARA URBAN DEVELOPMENT AUTHORITY	64,868.00	30/12/2016
STCN2122003	25.11.2021	9422A	VADODARA URBAN DEVELOPMENT AUTHORITY	52,291.00	30/12/2016
STCN2122008	31.03.2022	9525	Additional City Engineer-RMC	226,281.00	28/06/2017
STCN2122009	31.03.2022	9525	Executive Engineer- RMC	51,859.00	30/06/2016
STCN2122011	31.03.2022	9525	Executive Engineer- RMC	28,763.00	30/06/2016
Revenue Debited	30.06.2021	9410	Engineers India Limited	117,438.00	2019-20
Revenue Debited	30.09.2021	9410	Engineers India Limited	60,585.00	2019-20
Revenue Debited	30.06.2021	9538	KRCL	299301	2020-21





Revenue Debited	30.06.2021	9586	KRCL	2,556.00	2020-21
Revenue Debited	30.06.2021	9586	KRCL	56,623.00	2017-18/2018-19
Revenue Debited	30.06.2021	9592	EIL	80,798.80	2018-19/2019-20
Revenue Debited	30.06.2021	9606	PSCDCL	1,049,674.00	2018-19
Revenue Debited	30.06.2021	9616	KRCL	108.00	2020-21
CN202100160	31.01.2021	9410	Engineers India Limited	1144588.00	12-Oct-2020
CN202100161	31.01.2021	9410	Engineers India Limited	1074506.00	20-Nov-2020
Revenue Debited	30/06/2021	9422	VMSS	399738.00	2013-14/2014-15
<b>Total</b>				<b>6,246,452.63</b>	

**Table B**

VCHR_NO	VCHRDATE	ACHD_CD	ACHD_DESC	AC_NO	NARATION	Invoice Month	Prior Period Errors Amt.
131	31-Dec-21	62016	PRINTING & STATIONERY- OTHER MISC	9422	VADODARA GH EXP OCT-20 CLAIM BY EMP C203	Oct-20	2539
131	31-Dec-21	62016	PRINTING & STATIONERY- OTHER MISC	9601	VADODARA GH EXP OCT-20 CLAIM BY EMP C203	Oct-20	2539
131	31-Dec-21	62020	OFFICE SUPPLY	9422	VADODARA GH EXP OCT-20 CLAIM BY EMP C203	Oct-20	3058



131	31-Dec-21	62020	OFFICE SUPPLY	9601	VADODARA GH EXP OCT-20 CLAIM BY EMP C203	Oct-20	3058
131	31-Dec-21	64112	LIGHT, WATER - TRANSIT FLAT/GUEST HOUSE	9422	VADODARA GH EXP OCT-20 CLAIM BY EMP C203	Oct-20	9494
131	31-Dec-21	64112	LIGHT, WATER - TRANSIT FLAT/GUEST HOUSE	9601	VADODARA GH EXP OCT-20 CLAIM BY EMP C203	Oct-20	9494
131	31-Dec-21	64214	HOUSE KEEPING MATERIALS & CONSUMABLES	9422	VADODARA GH EXP OCT-20 CLAIM BY EMP C203	Oct-20	10041
131	31-Dec-21	64214	HOUSE KEEPING MATERIALS & CONSUMABLES	9601	VADODARA GH EXP OCT-20 CLAIM BY EMP C203	Oct-20	10040
131	31-Dec-21	67010	OFFICE TELEPHONE EXPENSES	9422	VADODARA GH EXP OCT-20 CLAIM BY EMP C203	Oct-20	1362
131	31-Dec-21	67010	OFFICE TELEPHONE EXPENSES	9601	VADODARA GH EXP OCT-20 CLAIM BY EMP C203	Oct-20	1361
131	31-Dec-21	69310	COURIER CHARGES	9422	VADODARA GH EXP OCT-20 CLAIM BY EMP C203	Oct-20	714





131	31-Dec-21	69310	COURIER CHARGES	9601	VADODARA GH EXP OCT-20 CLAIM BY EMP C203	Oct-20	714
131	31-Dec-21	75413	ENTERTAINMENT - OTHER PLACES	8529	VADODARA GH EXP OCT-20 CLAIM BY EMP C203	Oct-20	810
132	31-Dec-21	62016	PRINTING & STATIONERY- OTHER MISC	9422	VADODARA GH EXP JUN-20 CLAIM BY EMP C203	Jun-20	2975
132	31-Dec-21	62020	OFFICE SUPPLY	9422	VADODARA GH EXP JUN-20 CLAIM BY EMP C203	Jun-20	4514
132	31-Dec-21	64112	LIGHT, WATER - TRANSIT FLAT/GUEST HOUSE	9422	VADODARA GH EXP JUN-20 CLAIM BY EMP C203	Jun-20	1560
132	31-Dec-21	64214	HOUSE KEEPING MATERIALS & CONSUMABLES	9422	VADODARA GH EXP JUN-20 CLAIM BY EMP C203	Jun-20	12755
132	31-Dec-21	67010	OFFICE TELEPHONE EXPENSES	9422	VADODARA GH EXP JUN-20 CLAIM BY EMP C203	Jun-20	2689
124	31-Dec-21	64214	HOUSE KEEPING MATERIALS & CONSUMABLES	9614	SOJAT GH EXP JULY20 CLAOM BY EMP C172	Jul-20	480



124	31-Dec-21	64214	HOUSE KEEPING MATERIALS & CONSUMABLES	9614	SOJAT GH EXP JULY20 CLAOM BY EMP C172	Jul-20	10188
125	31-Dec-21	64214	HOUSE KEEPING MATERIALS & CONSUMABLES	9614	SOJAT GH EXP AUG20 CLAOM BY EMP C172	Aug-20	480
125	31-Dec-21	64214	HOUSE KEEPING MATERIALS & CONSUMABLES	9614	SOJAT GH EXP AUG20 CLAOM BY EMP C172	Aug-20	9000
127	31-Dec-21	64112	LIGHT, WATER - TRANSIT FLAT/GUEST HOUSE	9614	RAJGARH GH EXP NOV-20 CLAIM BY EMP C187	Nov-20	6148
127	31-Dec-21	64214	HOUSE KEEPING MATERIALS & CONSUMABLES	9614	RAJGARH GH EXP NOV-20 CLAIM BY EMP C187	Nov-20	370
127	31-Dec-21	64214	HOUSE KEEPING MATERIALS & CONSUMABLES	9614	RAJGARH GH EXP NOV-20 CLAIM BY EMP C187	Jul-20	6450
128	31-Dec-21	64112	LIGHT, WATER - TRANSIT FLAT/GUEST HOUSE	9614	RAJGARH GH EXP JUL-20 CLAIM BY EMP C187	Jul-20	623
128	31-Dec-21	64112	LIGHT, WATER - TRANSIT FLAT/GUEST HOUSE	9614	RAJGARH GH EXP JUL-20 CLAIM BY EMP C187	Jul-20	5500
128	31-Dec-21	64214	HOUSE KEEPING MATERIALS &	9614	RAJGARH GH EXP	Jul-20	370





			CONSUMABLES		JUL-20 CLAIM BY EMP C187		
128	31-Dec-21	64214	HOUSE KEEPING MATERIALS & CONSUMABLES	9614	RAJGARH GH EXP JUL-20 CLAIM BY EMP C187	Jul-20	6190
129	31-Dec-21	64214	HOUSE KEEPING MATERIALS & CONSUMABLES	9614	RAJGARH GH EXP AUG-20 CLAIM BY EMP C187	Aug-20	370
129	31-Dec-21	64214	HOUSE KEEPING MATERIALS & CONSUMABLES	9614	RAJGARH GH EXP AUG-20 CLAIM BY EMP C187	Aug-20	7156
126	31-Dec-21	62020	OFFICE SUPPLY	9599	DWARKA GH EXP OCT-20 CLAIM BY EMP C203	Oct-20	64
126	31-Dec-21	62020	OFFICE SUPPLY	9615	DWARKA GH EXP OCT-20 CLAIM BY EMP C203	Oct-20	64
126	31-Dec-21	62020	OFFICE SUPPLY	9615	DWARKA GH EXP OCT-20 CLAIM BY EMP C203	Oct-20	441
126	31-Dec-21	62020	OFFICE SUPPLY	9622	DWARKA GH EXP OCT-20 CLAIM BY EMP C203	Oct-20	441
126	31-Dec-21	62020	OFFICE SUPPLY	9622	DWARKA GH EXP	Oct-20	441



					OCT-20 CLAIM BY EMP		
					C203		
126	31-Dec-21	62020	OFFICE SUPPLY	9622	DWARKA GH EXP OCT-20 CLAIM BY EMP C203	Oct-20	64
126	31-Dec-21	64112	LIGHT, WATER - TRANSIT FLAT/GUEST HOUSE	9599	DWARKA GH EXP OCT-20 CLAIM BY EMP C203	Oct-20	2780
126	31-Dec-21	64112	LIGHT, WATER - TRANSIT FLAT/GUEST HOUSE	9615	DWARKA GH EXP OCT-20 CLAIM BY EMP C203	Oct-20	2780
126	31-Dec-21	64112	LIGHT, WATER - TRANSIT FLAT/GUEST HOUSE	9622	DWARKA GH EXP OCT-20 CLAIM BY EMP C203	Oct-20	2780
126	31-Dec-21	64214	HOUSE KEEPING MATERIALS & CONSUMABLES	9599	DWARKA GH EXP OCT-20 CLAIM BY EMP C203	Oct-20	6292
126	31-Dec-21	64214	HOUSE KEEPING MATERIALS & CONSUMABLES	9615	DWARKA GH EXP OCT-20 CLAIM BY EMP C203	Oct-20	6292
126	31-Dec-21	64214	HOUSE KEEPING MATERIALS &	9622	DWARKA GH EXP	Oct-20	6293





		CONSUMABLES		OCT-20 CLAIM BY EMP C203		
	31.05.2021	Purchase of Fixed Assets			Dec-20	4153
		<b>Total</b>				<b>165927</b>

The Company has failed to restate its financials in accordance with the requirement of Ind AS -8 and also failed to disclose as per Para 46 the below mentioned disclosures :

In applying paragraph 42, an entity shall disclose the following :

- (a) The nature of the prior period error;
- (b) For each prior period presented, to the extent practicable, the amount of the correction :
  - (i) For each financial statement line item affected; and
  - (ii) If Ind AS 33 applies to the entity , for basic and diluted earnings per share;
- (c) The amount of correction at the beginning of the earliest prior period presented; and
- (d) If retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.

#### 4. Non Floatation of Open Tender Enquiry.

During the course of audit it was observed that CEIL had floated Open Tender in the year 2019 for Empanelment of Agencies for Hiring of Human Resources for Offshore & Onshore Jobs in India and pursuant to that the below mentioned agencies were empanelled as mentioned in **Table A** with respect to the rendering of below mentioned services as mentioned in **Table B** for a period of 3 years and as such Empanelment Letter/Letter of Acceptance were issued on 01.06.2019 with terms of contract expiring on 31.05.2022. The tender document contained the clause that scope of services could be increased or decreased as per the requirement.

**Table A**

S. No.	Name of Agencies
1	M/s Pioneer E Solutions Pvt. Ltd



2	M/s Bonace Engineers Pvt. Ltd
3	M/s Sinclus Engineering & Consulting Pvt. Ltd
4	M/s Aarvi Encon Pvt. Ltd
5	M/s Keltech Offshore & Engineers Services Pvt. Ltd

**Table B**  
**Schedule of Rate (SOR) (Pioneer – Accepted)**

For Engineers			
Sr. No	Sub S. No	Category	Proposed Position
1	1.1	Mechanical/Metallurgy Engineer	Engineer-I (Eng.-I) (E-I)
			Engineer -I (Eng.-I) (with CSWIP-3.1 certification)(E-I)
			Engineer -I (Eng.-I) (with CSWIP-3.2 certification)(E-I)
			Engineer -I (Eng.-I) (with PAU/TOFD certification)(E-I)
			Engineer -II (Eng.-II) (E-II)
			Engineer -II (Eng.-II) (with NACE certification)(E-II)
			Engineer -II (Eng.-II) (with CSWIP-3.1 certification)(E-II)
			Engineer -II (Eng.-II) (with CSWIP-3.2 certification)(E-II)
			Engineer -II (Eng.-II) (with PAU/TOFD certification)(E-II)
			Engineer -III (Eng.-III) (E-III)
			Engineer -IV (Eng.-IV) (E-IV)
	1.2	Electrical & Instrumentation Engineer	Engineer (E&I)-I (E-I)
			Engineer (E&I)-II (E-II)
	1.3	Civil Engineer	Engineer (Civil)-I (E-I)
			Engineer (Civil)-II (E-II)
			Engineer (Civil)-III (E-III)
			Engineer (Civil)-IV (E-IV)
	1.4	Information Technology	Engineer (IT)-I(E-I)





	1.5	Chemical Engineer [A-Inclusive of Accommodation and Transportation, B-Excluding Accommodation and Transportation]	Engineer (Chem.)-IIB (E-IIB)(North East)
			Engineer(Chem.)-IIA (E-IIA)(Restof India)
			Engineer(Chem.)-IIB (E-IIB)(Restof India)

CIN: U74899DL1994GOI062371 For Marine Division			
S. No	Sub S. No	Category	Proposed Position
2	2.1	Deck Officer	Deck Officer
	2.2	Master Mariner	Master Mariner
	2.3	Naval Architect	Naval Architect

For Safety			
S. No	Sub S. No	Category	Proposed Position
3	3.1	Safety Officer/Engineer	Safety Officer
			Sr. Safety Officer
			Dy. Manager(Safety)
			Manager(Safety)

For Draftsman			
S. No	Sub S. No	Category	Proposed Position
4	4.1	Draftsman (Mechanical)	Jr. Draftsman(Mech.)
			Draftsman(Mech.)
	4.2	Draftsman (Electrical)	Jr. Draftsman (Elect.)
			Draftsman (Elect.)
	4.3	Draftsman (Civil)	Jr. Draftsman (Civil)
			Draftsman (Civil)
	4.4	Draftsman-3D Modellers	Jr. Draftsman (3D-Modelling)
			Draftsman (3D-Modelling)



For Diploma or ITI Supervisor			
S. No	Sub S. No	Category	Proposed Position
5	5.1	Supervisor	Asst. Supervisor(Mech.)
		(Mechanical)	Jr. Supervisor(Mech.)
	5.2	Supervisor	Asst. Supervisor (Elect.)
		(Electrical)	Jr. Supervisor (Elect.)
	5.3	Supervisor	Asst. Supervisor (Civil.)
		(Civil)	Jr. Supervisor (Civil.)
	5.4	Supervisor (F&A)	Jr. Supervisor (F&A)

For Support Non Technical Staff			
S. No	Sub S. No	Category	Proposed Position
6	6.1	Officer (Gr.-I)	Officer-Gr.-I
		Inspection Associate(Gr.-I)	Inspection Associate-Gr.-I
		Officer(Gr.-II)	Officer-Gr-II
		Inspection Associate(Gr.-II)	Inspection Associate-Gr-II

At the time of audit it was observed that during the financial year 2021-2022 new jobs were created as mentioned in **Table C & Table D** and enquires were mailed in the month of September 2021 again to the above five agencies as mentioned in **Table A** and rates were obtained as mentioned in respective Table C & D containing man month rates and work was awarded for 9 months till 31.05.2022.

**Table C**

Schedule of Rate (SOR)- Project Based Special Requirement's							
For Technical Staff							
				CEIL ESTIMATE (A)		HRA for the project based[in	Site Allowance CEIL
					Agency's resultant		





						Rate per Manmonth (in INR) (B)	Rupees] CEIL Estimate (C)	Estimate (E)
1.4[Pr oject]	Civil[I nfrastr ucture ]	Contract Manage r	Enginee r-IV	Man- month	120000	132000	17000	15600
			Enginee r-III	Man- month	105000	115500	13440	15600
		Constru ction Enginee r	Enginee r-I	Man- month	42965	47261	5093	13000
			Enginee r-II	Man- month	56726	62398	6784	15600
		Site Supervis or	Enginee r-I	Man- month	30334	33367	3600	13000
			Enginee r-II	Man- month	36707	40378	3840	15600
		Surveyo r's	Site Surveyo r	Man- month	36707	40378	3840	15600
		Docume nt Controlle r	Docume nt Controll er	Man- month	28381	31219	3360	13000
		Planning Engineer	Enginee r-I	Man- month	42965	47261	5093	13000
			Enginee r-II	Man- month	56726	62398	6784	15600
		<b>Total</b>			<b>556511</b>	<b>612160</b>	<b>68834</b>	<b>145600</b>

**Table D**

Schedule Of Rate (Sor)- Based On Our Upcoming Project Requirement's							
For Technical Staff							
S. N o	Su b S.	Categ ory	Propo sed Desig	Unit Of Meas	Base Rate (Pre-	Agency's resultant Rate per	Cities with 50 Lakhs & above population- CEIL Estimate(C)



	No		natio n	urement	Filled Rate In INR) CEIL Estimate c (A)	Manmonth (In INR)(B)	
	1.5	Chemical Engineer	Engineer(C hem)- I	Man month	43460	47806	6400.00
			Engineer(C hem)- II	Man month	79090	86604	8000.00
			Engineer(C hem)- III	Man month	103840	114224	9600.00
			Engineer(C hem)- IV	Man month	113930	125323	11200.00
			Engineer(C hem)- V	Man month	124950	137445	12800.00
		<b>Total</b>			<b>465270</b>	<b>511402</b>	<b>48000</b>

**Calculation of total estimate for different jobs as posted in Table C & D based on the contract validity of 9 months :**

**Table -E**

S.No	Total Man Month Rate for Table C	Total Man Month Rate for Table D	Total Man Month Rate for Table C (9 months)	Total Man Month Rate for Table D (9 months)	Total Estimate for 9 months for Table C & D
Job Estimate	556511	465270	5008599	4187430	9196029
HRA	68834	48000	619506	432000	1051506





Site Allowance	145600	-	1310400	-	1310400
Total	770945	513270	6938505	4619430	11557935

From the above table it can be very well apprised that the total estimate for jobs were Rs 1.15 cr.

As per Contract & Purchase Procedure of CEIL approved in the 125<sup>th</sup> Board meeting dated 01.06.2021 the relevant para are being discussed as such :

**Para 2.4 :** In case the minimum requirement of five agencies for a Limited Tendering or the total maximum estimated value of enquiry of Rs 25 lakhs is not met, then the enquiry shall be floated on Open e-tender basis irrespective of the value, through GeM or CPPP platforms. Details of such tenders shall also be provided on CEIL website.

**Para 3.1 :** Enquires where the estimated value is above the threshold value for Open enquiries ie INR 25 lakhs, shall be issued as open e-tender on GeM Portal/ CPP portal and duly advertised on CEIL's website.

**Observations:** From the perusal of the para 2.4 & 3.1 of Contract & Purchase Procedure of CEIL wherein the estimate value of enquiry is Rs 25 lakhs or more then Open e-tender had to be floated and as depicted in Table-E hereinabove the estimated value of enquiry was more than Rs 1.15 cr for different jobs as depicted in Table C & D hereinabove mandated CEIL to go for open enquiry whereas the same remained non complied. *By sending the enquiry in the month of September 2021 to the agencies empaneled by CEIL where value of estimated enquiry was more than Rs 1.15 cr as depicted in Table E , the CEIL has violated the mandate requirement of Para 2.4 & 3.1 of Contract & Purchase Procedure as approved in the 125<sup>th</sup> Meeting of the Board of Directors dated 01.06.2021*

#### 5. Credit Note & Revenue in violation of GST Act,2017

It has been observed during the course of audit that company has issued credit note to the tune of Rs 1.43 crores pertaining to the financial year 2018-2021 during the period under audit and has not provided us any evidence as to any discount or price reduction subject to which credit notes have been issued and not only this the company has further raised invoices against the credit note issued pertaining to the previous years which is again the violation of GST Act as no evidence of fresh supply of services have been provided during the year.

The details of Credit Note issued and fresh invoicing done against the same are being tabularized below :



Cr Note No.	CN Date	Job No	Customer Name	Fees Amount	Rejected Invoice	Invoice Dated
CN212200009	20-May-21	9308	JWIL Infra Ltd	324000.00	27000202102381	31-Mar-21
CN212200014	31-May-21	9595R	Morar Cantonment Board	29515.00	27000202102156	05-Mar-21
CN212200015	31-May-21	9595R	Morar Cantonment Board	27272.00	27000202102157	05-Mar-21
CN212200016	31-May-21	9595R	Morar Cantonment Board	96093.00	27000202102158	05-Mar-21
CN212200017	31-May-21	9595R	Morar Cantonment Board	26950.00	27000202102159	05-Mar-21
CN212200018	31-May-21	9595R	Morar Cantonment Board	27150.00	27000202102160	05-Mar-21
CN212200022	17-Jun-21	9606	Pune Smart City Development Corporation Ltd	59450.13	27000202102414	31-Mar-21
CN212200023	17-Jun-21	9606	Pune Smart City Development Corporation Ltd	50528.11	27000202102413	31-Mar-21
CN212200024	17-Jun-21	9606	Pune Smart City Development Corporation Ltd	55912.37	27000202102333	27-Mar-21
CN212200025	17-Jun-21	9606	Pune Smart City Development Corporation Ltd	22719.37	27000202102331	27-Mar-21





CN212200026	17-Jun-21	9606	Pune Smart City Development Corporation Ltd	9888.88	27000202102415	31-Mar-21
CN212200027	17-Jun-21	9606	Pune Smart City Development Corporation Ltd	20848.8	27000202102334	27-Mar-21
CN212200028	17-Jun-21	9606	Pune Smart City Development Corporation Ltd	110937.19	27000202102416	31-Mar-21
CN212200029	17-Jun-21	9606	Pune Smart City Development Corporation Ltd	60410.96	27000202102330	27-Mar-21
CN212200030	17-Jun-21	9606	Pune Smart City Development Corporation Ltd	7090.46	27000202102439	31-Mar-21
CN212200031	17-Jun-21	9606	Pune Smart City Development Corporation Ltd	107431.35	27000202102308	24-Mar-21
CN212200032	17-Jun-21	9606	Pune Smart City Development Corporation Ltd	107593.99	27000202102332	27-Mar-21
CN212200033	17-Jun-21	9606	Pune Smart City Development Corporation Ltd	67015.91	27000202102430	31-Mar-21



CN212200037	22-Jun-21	9305	Prem Industries	80575	27000202101347	22-Oct-20
CN212200038	23-Jun-21	9548	Engineers India Limited	137373.36	27000202101862	21-Jan-21
CN212200039	23-Jun-21	9410	Engineers India Limited	6504	27000202102351	31-Mar-21
CN212200040	23-Jun-21	9410	Engineers India Limited	3204	27000202102350	31-Mar-21
CN212200041	23-Jun-21	9410	Engineers India Limited	23600	27000202102349	31-Mar-21
CN212200042	23-Jun-21	9410	Engineers India Limited	25680	27000202102346	31-Mar-21
CN2122R0043	28-Jun-21	9308	Electrotherm (I) Ltd	12000	27000202101175	11-Oct-20
CN212200047	30-Jun-21	9308	Flowserve Sanmar Limited	10800	27000202102421	31-Mar-21
CN212200048	30-Jun-21	9308	Patel Airtemp (India) Ltd	54000	27000202102382	31-Mar-21
CN212200049	30-Jun-21	9308	Oswal Industries Ltd	60000	27000202100873	15-Sep-20
CN212200050	30-Jun-21	9308	Chetas Control Systems Pvt Limited	21600	27000202100515	31-Jul-20
CN212200053	14-Jul-21	9308	Gujarat State Petronet Limited	13200	27000192000698	06-Aug-19
CN212200054	14-Jul-21	9308	Oswal Industries Ltd	50000	27000192002618	31-Mar-20
CN212200055	14-Jul-21	9301	Kirloskar Brothers Limited	154440.82	27000202100221	16-Jun-20
CN212200060	30-Jul-21	9308	Howden Thomassen Compressors BV	453674.65	27000192002391	29-Feb-20
CN212200061	31-Jul-21	9308	Gujarat State Petronet	13200	27000192001108	23-Sep-19





			Limited			
CN212200062	31-Jul-21	9308	Thermal Systems (HYD) Pvt Ltd	10714	27000202100177	31-May-20
CN212200063	31-Jul-21	9308	Thermal Systems (HYD) Pvt Ltd	10714	27000202100185	31-May-20
CN212200064	31-Jul-21	9308	Thermal Systems (HYD) Pvt Ltd	10714	27000202100389	14-Jul-20
CN212200076	11-Aug-21	9422	Vadodara Mahanagar Seva Sadan	125547	27000202101134	08-Oct-20
CN212200082	31-Aug-21	9422	Larsen & Toubro Limited	214700	27000192002132	06-Feb-20
CN212200083	31-Aug-21	9422	Larsen & Toubro Limited	1573070	27000202100174	30-May-20
CN212200085	09-Sep-21	9573	Bharat Petroleum Corporation Ltd	123639	27000202101842	13-Jan-21
CN212200086	09-Sep-21	9573	Bharat Petroleum Corporation Ltd	114807	27000202101843	13-Jan-21
CN212200087	09-Sep-21	9573	Bharat Petroleum Corporation Ltd	114807	27000202101916	29-Jan-21
CN212200088	09-Sep-21	9573	Bharat Petroleum Corporation Ltd	119223	27000202101878	22-Jan-21



CN212200094	30-Sep-21	9410	Engineers India Limited	663720.12	27115181900001	11-Apr-18
CN212200104	30-Sep-21	9568	Afcons Infrastructure Limited	21171	27000202101053	05-Oct-20
CN212200105	30-Sep-21	9308	Bharat Heavy Electricals Ltd	799200	27000202101500	20-Nov-20
CN212200106	30-Sep-21	9604	Tecnimont Pvt Ltd	10000	27000202102174	10-Mar-21
CN212200107	30-Sep-21	9080	Oil & Natural Gas Corp. Ltd	719211	27000202100694	31-Aug-20
CN212200108	30-Sep-21	9092	Oil & Natural Gas Corp. Ltd	3662	27052202100167	21-May-20
CN212200111	30-Sep-21	9302	Bekem Infra Projects Private Limited	27000	27000202102271	20-Mar-21
CN212200112	30-Sep-21	9463	Jasco Pump Pvt Ltd	19149	27000202100788	09-Sep-20
CN212200113	30-Sep-21	9463	Mana Techno Corporation	12425	27000202101188	12-Oct-20
CN212200114	30-Sep-21	9463	Anand Enterprise	8449	27000202101191	12-Oct-20
CN212200115	30-Sep-21	9599	Special Protection Group (Cabinet Secretariat)	3256371	27000202102151	01-Mar-21
CN212200116	30-Sep-21	9601	Sardar Sarovar Narmada Nigam Ltd	781857	27000202102039	24-Feb-21
CN212200117	30-Sep-21	9422	Modern Power Services	3137	27000202101638	17-Dec-20
CN212200118	30-Sep-21	9530	Vedanta Limited	246889	27000202100300	29-Jun-20
CN212200119	30-Sep-21	9596	Paramount Limited	113184	27000202101810	13-Jan-21





CN212200121	30-Sep-21	9475C	TamilNadu Energy Development Agency	738344	27000202100950	27-Sep-20
CN212200122	30-Sep-21	9592	Engineers India Limited	79375	27000202102120	26-Feb-21
CN212200133	30-Sep-21	9613	Mumbai Railway Vikas Corporation Ltd	189005	27000202101011	30-Sep-20
CN212200134	30-Sep-21	9589	GSPL India Transco Limited	149999.98	27000202101397	31-Oct-20
CN212200137	30-Sep-21	9614	GSPL India Gasnet Ltd	396000	27000202100351	06-Jul-20
CN212200164	25-Nov-21	9422	Rajkamal Builder Infrastructure Pvt Ltd	661954	27000181902280	28-Mar-19
CN212200191	11-Jan-22	9548	Engincers India Limited	453493.43	27000202102088	26-Feb-21
CN212200195	27-Jan-22	9308	PANCHVAT I VALVES & FLANGES PVT.LTD	24000	27000192001554	30-Nov-19
CN212200211	28-Feb-22	9432	Surat Municipal Corporation	40577	270001819E142 4	10/12/2018
CN212200224	28.03.202 2	9442	Gujarat State Petronet Limited	224000	27024192001803	31-Dec-19
<b>Total</b>				<b>14390767.88</b>		



**Annexure to Report on Corporate Governance**  
**INDEPENDENT AUDITORS REPORT ON COMPLIANCE WITH CORPORATE**  
**GOVERNANCE REQUIREMENTS UNDER GUIDELINES ISSUED BY MINISTRY**  
**OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES**

**To,**  
**The Members of**  
**Certification Engineers International Limited**

1. This certificate is issued in accordance with the terms of our engagement letter with the company.
2. This report contains details of compliance of conditions of corporate governance by Certification Engineers International Ltd. ('the company') for the year ended 31<sup>st</sup> March, 2022 as stipulated in guidelines vide O.M No. 18(8)/2005-GM dated 14.05.2010 of the Ministry of Heavy Industries and Public Enterprises, DPE, Government of India.

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

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

**Auditor's Responsibility**

4. Our examination was limited to procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of corporate governance mentioned in the aforesaid guidelines. It is neither an audit nor an expression of opinion on the financial statements of the company.
5. Pursuant to the requirements of the aforesaid guidelines issued by the Ministry of Heavy Industries and Public Enterprises, it is our responsibility to provide a reasonable





assurance as to whether the company has complied with the conditions of Corporate Governance as stipulated in the aforesaid guidelines for the year 31<sup>st</sup> March 2022.

6. We conducted our examination in accordance with the Guidance note on reports or Certificates for special Purposes issued by the Institute of Chartered Accountants of India ('ICAI'). The guidance note requires that we comply with the ethical requirements of the code of ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Relevant Services Engagements.

#### **Qualified Opinion**

8. In our opinion, and to the best of our information and according to explanations given to us, subject to qualifications mentioned below we certify that the company has complied with the conditions of Corporate Governance as stipulated in the 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 except with :

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

*Clause 3.1.1 of DPE Guidelines*

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



*As there was no functional Director exists in the Board of the Company during the FY 2021.-22, hence there emerges out the non-compliance of the above provision of DPE Guidelines.*

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

*Clause 3.1.4 of DPE Guidelines:*

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

*There were two independent directors namely Mr. O.P Mishra and Ms. Anita Singh existed at the beginning of the financial year in the Board of Company , However Mr. O.P Mishra has ceased to be director w.e.f 24.07.2021..Therefore there was only one independent director, Ms. Anita Singh exist in the Company during the period from 24.07.2021 to 31.03.2022. The Company has failed to fill up the requisite position of Independent Director despite follow up with the Ministry concerned and as such it remained non-complied with respect to default period as mentioned herein-above*

- *The Audit Committee of the Company was not properly constituted as per provisions of DPE Guidelines. With reference to constitution of Audit Committee, Clause 4.1 of Chapter-4 of above Guidelines, states as under:*  
*Clause 4.1.1 of DPE Guidelines*





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

*There was only one independent director, Ms. Anita Singh exists in the Audit Committee of the Company during the period from 24.07.2021 to 31.03.2022. The Company remained non-complied with respect to the default period mentioned in question.*

- *The meetings of the Audit Committee were not held as per DPE Guidelines. In this regard, Clause of 4.4 of clause 4 of DPE Guidelines, provides as under:*

*Clause 4.4 of DPE Guidelines*

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

*However instead of four only two meetings on 01.06.2021 and on 28.01.2022 were held during the F.Y 2021-22*

- *As per sub clause of 7.1.1 of clause 7 of DPE Guidelines, summary of related party transaction shall be placed periodically before the Audit Committee. However no disclosure was made in neither in the meeting of Board of Directors nor in the meeting of Audit Committee with respect to related party transactions.*

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 S.B.G. & Co**

**Chartered Accountants**

**FRN : 001818N**

  
**(CA S.B. Gupta)**

**Partner**

**M. No.: 089415**

**Place: New Delhi**

**Dated: 25/05/2022**

**UDIN: 22089415AJRZYL6871**





# Certification Engineers International Limited

Balance Sheet As At 31 March 2022

Balance Sheet As At 31 March 2022		(₹ In Lakhs)	
PARTICULARS	Note No.	AS AT 31 March 2022	AS AT 31 March 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4	25.42	32.32
Right of Use Assets	4 A	231.66	213.01
Other Intangible Assets	5	1.74	1.31
<b>Financial Assets</b>			
Other Financial Assets	6 A	20.15	46.80
Deferred Tax Assets (Net)	7	264.09	253.19
Non-Current Tax Assets (Net)	8	250.73	261.22
Other Non-Current Assets	9 A	1.15	1.01
<b>Total Non-Current Assets</b>		<b>794.94</b>	<b>808.86</b>
<b>Current Assets</b>			
Inventories	10	5.85	6.50
<b>Financial Assets</b>			
Trade Receivables	11	1,527.64	1,651.57
Cash and Cash Equivalents	12	515.91	122.18
Other Bank Balances	13	5,951.54	6,183.18
Other Financial Assets	6 B	1,017.05	951.77
Other Current Assets	9 B	74.34	85.57
<b>Total Current Assets</b>		<b>8,892.33</b>	<b>9,000.77</b>
<b>Total Assets</b>		<b>9,687.27</b>	<b>9,809.63</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	14	900.00	900.00
Other Equity	15	7,030.16	7,167.27
<b>Total Equity</b>		<b>7,930.16</b>	<b>8,067.27</b>
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Lease Liabilities	4 A	24.45	33.72
Other Financial Liabilities	16 A	0.15	33.00
Other Non-Current Liabilities	17 A	0.02	0.85
Long Term Provisions	18 A	761.06	654.70
<b>Total Non-Current Liabilities</b>		<b>785.68</b>	<b>722.27</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Lease Liabilities	4 A	34.57	0.76
Trade Payables	19		
Total outstanding dues of Micro Enterprises and small enterprises		59.62	91.21
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		195.55	133.69
Other Financial Liabilities	16 B	227.39	187.95
Other Current Liabilities	17 B	302.33	389.08
Short Term Provisions	18 B	110.74	34.53
Current Tax Liabilities (Net)	20	41.21	182.87
<b>Total Current Liabilities</b>		<b>971.43</b>	<b>1,020.09</b>
<b>Total Equity and Liabilities</b>		<b>9,687.27</b>	<b>9,809.63</b>

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

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

For and on behalf of Certification Engineers International Limited

For S.B.G. & Company  
Chartered Accountants  
Firm Regn. No. 001818N

CA S.B. GUPTA  
Partner  
Membership No. 089415  
FRN No. 001818N

Place : New Delhi  
Date : May 25, 2022



(J. TOTLANI)  
Company Secretary  
PAN : BGIPK9258II

(BASANT K DAS)  
Chief Financial Officer  
PAN : ABUPD5295E

(G.SURESH)  
Chief Executive Officer  
PAN : AG1P58759H

(SANJAY JINDAL)  
Director  
DIN : 09223617

(VARTIKA SHUKLA)  
Chairman  
DIN : 08777885

UOIN: 22089415AJRZYL6877

# Certification Engineers International Limited

## Statement Of Profit And Loss For The Year Ended 31 March 2022

PARTICULARS	Note No.	₹ In Lakhs	
		31 March 2022	31 March 2021
<b>REVENUE</b>			
Income From Services	21	4,624.50	4,911.00
Other Income	22	366.14	397.69
<b>Total Income</b>		<b>4,990.64</b>	<b>5,308.69</b>
<b>EXPENSES</b>			
Manpower Services	23	836.70	650.76
Employee Benefits Expenses	24	2,031.65	2,209.77
Finance Costs	25	10.54	2.69
Depreciation and Amortisation Expenses	26	43.79	22.24
Other Expenses			
Facilities Costs	27 A	206.21	213.85
Corporate Costs	27 B	60.22	62.78
Other Costs	27 C	676.37	644.45
<b>Total Expenses</b>		<b>3,865.48</b>	<b>3,806.54</b>
<b>Profit Before Tax</b>		<b>1,125.16</b>	<b>1,502.15</b>
<b>Tax Expense</b>			
Current Tax	28	322.22	379.70
Earlier years tax adjustments (net)		7.47	
Deferred Tax		(15.81)	(0.14)
<b>Profit For The Year</b>		<b>811.28</b>	<b>1,122.59</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit and loss			
Re-measurement gains (losses) on defined benefit plans		19.52	15.00
Income tax relating to items that will not be reclassified to profit and loss		(4.91)	(3.78)
<b>Total Comprehensive Income For The Year</b>		<b>825.89</b>	<b>1,133.81</b>
<b>Earnings Per Equity Share (Face Value ₹ 100 Per Share)</b>	29		
Basic (₹)		90.14	124.73
Diluted (₹)		90.14	124.73

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

1 to 52

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

For S.B.G. & Company  
Chartered Accountants  
Firm Regd. No. 001818N

For and on behalf of Certification Engineers International Limited

CA S.B. GUPTA  
Partner  
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FRN No. 001818N

(J. TOTLANI)  
Company Secretary  
PAN : BG1PK925811

(BASANT K DAS)  
Chief Financial Officer  
PAN : AEUPD5295E

(G.SURESH)  
Chief Executive Officer  
PAN : AGLPS875911

(ANJAY JINDAL)  
Director  
DIN : 09222617

(VARTIKA SHUKLA)  
Chairman  
DIN : 08777885

Place : New Delhi  
Date : May 25, 2022



UDIN: 22089415AJRZY6877



# Certification Engineers International Limited

## Statement Of Changes In Equity As At 31st March'2022

### A Equity Share Capital\*

(₹ In Lakhs)

Particulars	Opening Balance As At 1 April 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	Changes in Equity Share Capital During The Year	Redemption Of Equity Share Capital During The Year	Balance As At 31 March 2022
Equity Share Capital	900.00	-	-	900.00	-	-	900.00

### B Other Equity\*

(₹ In Lakhs)

Description	Reserves And Surplus			Other Comprehensive Income	Total
	General Reserve	Retained Earnings	CSR Activity Reserve	Reassessment Of Defined Benefit Plans (Net of Taxes)	
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	(243.87)	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
Profit for the year	-	811.28	-	-	811.28
Other comprehensive income	-	-	-	14.61	14.61
Dividend	-	(963.00)	-	-	(963.00)
Transfer from retained earnings	197.60	(225.83)	28.14	-	0.00
Transfer to retained earnings	-	84.56	(84.56)	-	-
Balance as at 31 March 2022	6,682.33	327.70	17.10	3.03	7,030.16

\*Refer note 14 for details

\*Refer note 15 for details

For S.B.G. & Company  
Chartered Accountants  
Firm Regn. No. 001818N

CA S.B. GUPTA  
Partner  
Membership No. 089415  
FRN No. 001818N

Place: New Delhi  
Date: May 25, 2022



For and on behalf of Certification Engineers International Limited

 (J. TOTLANT)  
Company Secretary  
PAN : JGJPK9258H
  (BASANT K DAS)  
Chief Financial Officer / Chief Executive Officer  
PAN : AEU705295R PAN : AGI.P6875091
  (G. SURESH)  
Director  
DIN : 00223617
  (SANJAY JINDAL)  
Director  
DIN : 00223617
  (VARTIKA SHUKLA)  
Chairman  
DIN : 08777883

UDIN: 22089415AJR2YL6877

# Certification Engineers International Limited

## Cash Flow Statement For The Year Ended 31 March 2022

PARTICULARS	31 March 2022	(₹ In Lakhs) 31 March 2021
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	1,125.16	1,502.15
<b>Adjustments for:</b>		
Depreciation and Amortisation Expenses	43.79	22.24
Provision For Employee Benefits	176.77	54.90
Allowance for expected credit losses - trade receivables and advances (net)	(114.40)	(55.82)
Provision for corporate social responsibility	25.32	(31.00)
Interest Income and Amortised Income On Security Deposit	(366.14)	(393.92)
Interest Expense	10.54	2.69
Capital (Gain) / Loss On Sale Of Mutual Funds	-	(3.77)
<b>Operating Profit Before Working Capital Changes</b>	<b>901.04</b>	<b>1,097.47</b>
<b>Movement In Working Capital</b>		
Decrease/(Increase) In Trade Receivables	238.33	338.81
Decrease/(Increase) In Inventories	0.65	2.31
Decrease/(Increase) In Other Current and Non Current Assets	(6.03)	(16.47)
Decrease/(Increase) In Other Current Financial Assets	(42.85)	(211.02)
(Decrease)/Increase In Other Current and Non-Current Liabilities	(87.56)	54.24
(Decrease)/Increase In Other Current Financial and Non-Financial Liabilities	56.86	33.72
<b>Cash Flow From Operating Activities Post Working Capital Changes</b>	<b>1,040.44</b>	<b>1,299.06</b>
Income Tax Paid (Net)	(460.86)	(162.03)
<b>Net Cash Flow From Operating Activities (A)</b>	<b>579.58</b>	<b>1,137.03</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase Of Property, Plants, Equipments and Intangible Assets (Net)	(8.05)	(17.94)
Movement In Current Investments (Net)	-	206.27
Fixed Deposit placed with banks having original maturity of more than three months	(6,286.00)	(6,531.33)
Fixed Deposit with banks matured having original maturity of more than three months	6,483.86	5,727.97
Interest Received	418.69	404.84
<b>Net Cash Flows Used In Investing Activities (B)</b>	<b>608.50</b>	<b>(210.19)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend Paid	(963.00)	(927.00)
Interest Paid	(4.07)	-
Payment of Lease Liabilities	(27.28)	(4.99)
<b>Net Cash Used In Financing Activities (C)</b>	<b>(994.35)</b>	<b>(931.99)</b>
<b>Increase In Cash And Cash Equivalents (A+B+C)</b>	<b>193.73</b>	<b>(5.15)</b>
Cash And Cash Equivalents At The Beginning Of The Year	122.18	127.33
<b>Cash And Cash Equivalents At The End Of The Year</b>	<b>315.91</b>	<b>122.18</b>

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

For S.B.G & Company  
Chartered Accountants  
Firm Regn. No. 001818N

**C.A.S.B. GUPTA**  
Partner  
Membership No. 089415  
FRN No. 001818N

Place : New Delhi  
Date : May 25, 2022



For and on behalf of Certification Engineers International Limited

**(J. TOTLANI)**  
Company Secretary  
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Director  
DIN : 09223617

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

UDIN: 22089415AJRZYL6877



## **Certification Engineers International Limited**

### **Significant accounting policies and Notes to Accounts for the year ended 31<sup>st</sup> March 2022**

#### **1. NATURE OF PRINCIPAL ACTIVITIES**

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

#### **2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE**

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

The financial statements for the year ended 31<sup>st</sup> March 2022 were authorized and approved for issue by the Board of Directors on 25<sup>th</sup> May 2022.

#### **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.





## **Certification Engineers International Limited**

### **Significant accounting policies and Notes to Accounts for the year ended 31<sup>st</sup> March 2022**

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.





## **Certification Engineers International Limited**

### **Significant accounting policies and Notes to Accounts for the year ended 31<sup>st</sup> March 2022**

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

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





## **Certification Engineers International Limited**

### **Significant accounting policies and Notes to Accounts for the year ended 31<sup>st</sup> March 2022**

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

#### **Trade receivables**

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

#### **Other financial assets**

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

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

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

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

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

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

### **J. INVENTORIES**

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

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

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

### **K. INCOME TAXES**

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

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period. Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either





## **Certification Engineers International Limited**

### **Significant accounting policies and Notes to Accounts for the year ended 31<sup>st</sup> March 2022**

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**





## Certification Engineers International Limited

### Significant accounting policies and Notes to Accounts for the year ended 31<sup>st</sup> March 2022

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

#### Other benefits

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

## N. LEASES

### Company as a lessee

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

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

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

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

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

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

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

### Company as a lessor

#### Operating lease

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

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

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





## O. RECENT ACCOUNTING PRONOUNCEMENT

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1<sup>st</sup>, 2022, as below:

### **Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

### **Ind AS 37–Provisions, Contingent Liabilities and Contingent Assets**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

## P. EARNINGS PER SHARE

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

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

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

### *Significant management judgements*

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

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

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





## Certification Engineers International Limited

### Significant accounting policies and Notes to Accounts for the year ended 31<sup>st</sup> March 2022

**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.

*(This space has been intentionally left blank)*



# **Certification Engineers International Limited**

**Notes To The Financial Statements For The Year Ended 31 March 2022**

## **Note - 4** **Property, Plant And Equipment**

Particulars	Vehicles	Office Equipments	Air Conditioner	Computer Hardware	Furniture And Fixtures	Library Books	Total
(₹ In Lakhs)							
Gross carrying amount							
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
Disposals/assets written off	-	-	-	-	-	-	-
Balance as at 31 March 2021	3.24	8.55	7.62	59.40	26.97	0.46	106.24
Additions	-	2.12	1.10	2.63	0.99	-	6.85
Disposals/assets written off	-	-	-	-	-	-	-
Balance as at 31 March 2022	3.24	10.68	8.72	62.03	27.96	0.46	113.09
Accumulated Depreciation							
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
Adjustments For Disposals	-	-	-	-	-	-	-
Balance as at 31 March 2021	3.03	6.27	5.87	39.00	19.29	0.46	73.92
Charge For The Year	-	0.88	0.16	11.14	1.57	-	13.75
Adjustments For Disposals	-	-	-	-	-	-	-
Balance as at 31 March 2022	3.03	7.15	6.03	50.14	20.86	0.46	87.67
Net Book Value as at 31 March 2021	0.21	2.28	1.75	20.40	7.68	0.00	32.32
Net Book Value as at 31 March 2022	0.21	3.53	2.69	11.89	7.10	0.00	25.42

## **(i) Contractual obligations**

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





# Certification Engineers International Limited

Notes To The Financial Statements For The Year Ended 31 March 2022

## Note - 4 A

### Right of Use Assets

#### Leases :- Company as a lessee

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

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

Particulars	Leasehold Property		Computer Hardware	Total
	Office*	Site Transit Accommodations		
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
Additions	-	44.70	3.22	47.92
Depreciation	(3.87)	(25.12)	(0.28)	(29.27)
Balance as at 31 March 2022	174.97	53.75	2.94	231.66

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:

Particulars	31 March 2022		31 March 2021	
Current lease liabilities		34.57		0.76
Non-Current lease liabilities		24.45		33.72
Total		59.02		34.48

The following is the movement in lease liabilities:

Particulars	31 March 2022		31 March 2021	
Balance at the beginning		34.48		-
Additions		47.92		38.72
Finance cost accrued during the year		3.90		0.75
Payment of lease liabilities		27.28		4.99
Balance at the end		59.02		34.48

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

Particulars	31 March 2022		31 March 2021	
Less than one year		37.58		18.74
One year to two years		18.28		16.50
More than two years		7.60		1.88
Total		63.46		37.12

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

During the year Company recognised as operating expenses of ₹ 77.21 Lakhs (previous year ₹ 98.15 Lakhs) towards short term leases for certain office/residential premises.

The following is the discount rate considered in ROU asset calculation :-

Particulars	Discount rate	
	2021-22	2020-21
Quarter 1	7.05%	7.50%
Quarter 2	7.05%	7.10%
Quarter 3	7.05%	7.10%
Quarter 4	7.05%	7.05%



# Certification Engineers International Limited

Notes To The Financial Statements For The Year Ended 31 March 2022

Note - 5

## Other Intangible Assets

(₹ In Lakhs)

Particulars	Computer Software	Total
<b>Gross carrying amount</b>		
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
Additions	1.20	1.20
Disposals/Assets Written Off	-	-
Balance as at 31 March 2022	6.58	6.58
<b>Accumulated amortisation</b>		
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
Amortisation Charge For The Year	0.77	0.77
Adjustments For Disposals	-	-
Balance as at 31 March 2022	4.84	4.84
Net Book Value as at 31 March 2021	1.31	1.31
Net Book Value as at 31 March 2022	1.74	1.74





# Certification Engineers International Limited

## Notes To The Financial Statements For The Year Ended 31 March 2022

	₹ In Lakhs	
	31 March 2022	31 March 2021
<b>Note - 6</b>		
<b>A Other Financial Assets - Non-Current</b>		
Security Deposit	20.15	45.15
Term Deposits With Maturity Exceeding One Year*		1.65
	<b>20.15</b>	<b>46.80</b>

\*Includes bank deposits held under lien against bank guarantees of ₹ 0.00 Lakhs (previous year 31 March 2021 : ₹ 1.56 Lakhs)

The above also includes interest earned on bank deposits of ₹ Nil (previous year 31 March 2021 ₹ 0.09 lakhs)

<b>B Other Financial Assets - Current</b>		
<b>Unsecured, Considered Good Unless Otherwise Stated</b>		
Security Deposit	389.89	343.44
Unbilled Income	627.16	600.51
Work In Progress*		7.82
	<b>1,017.05</b>	<b>951.77</b>

\*As taken, valued and certified by Management

### Note - 7

#### Deferred Tax Assets (Net)

##### Deferred Tax Assets Arising On:

###### Employee Benefits:

Provision for leave encashment

209.93 167.48

Provision for long service awards

6.34 6.53

Provision for employee related expenses allowed on payment basis

77.15 105.94

Provision for doubtful receivables and advances

Others:

Amortised cost financial instruments

0.35 0.03

##### Deferred Tax Liabilities Arising On:

Depreciation

(26.45) (26.24)

Provision for gratuity

(3.23) (0.55)

**264.09 253.19**

#### Movement In Deferred Tax Assets And Liabilities

(₹ In Lakhs)

Particulars	31-Mar-20	Recognised In Other Comprehensive Income	Recognised In Statement Of Profit And Loss	31-Mar-21	Recognised In Other Comprehensive Income	Recognised In Statement Of Profit And Loss	31-Mar-22
<b>Assets</b>							
Employee Benefits	163.65	(3.78)	14.14	174.01	(4.91)	47.17	216.27
Trade Receivables & Advances	119.99	-	(14.05)	105.94	-	(28.79)	77.15
Others	(0.93)	-	0.96	0.03	-	0.32	0.35
<b>Liabilities</b>							
Depreciation	(25.88)	-	(0.36)	(26.24)	-	(0.21)	(26.45)
Employee Benefits	-	-	(0.55)	(0.55)	-	(2.08)	(3.23)
	<b>256.83</b>	<b>(3.78)</b>	<b>0.14</b>	<b>253.19</b>	<b>(4.91)</b>	<b>15.81</b>	<b>264.09</b>

### Note - 8

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

Advance Income Tax (net of provision for taxation amounting to ₹ 1924.28 Lakhs) (previous year 31 March 2021 : ₹ ₹ 1952.16 Lakhs) (Refer note 50)

250.73 261.22

Advance Fringe Benefit Tax

11.83 11.83

Less: Allowance for expected credit losses

(11.83) (11.83)

**250.73 261.22**

### Note - 9

#### A Other Non-Current Assets

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

Prepaid Expenses

1.15 1.01

**1.15 1.01**

#### B Other Current Assets

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

Balance With Government Authorities

34.98 54.69

Prepaid Expense

8.81 8.19

Advances to employees

20.91 22.69

Advances to Vendors

9.62 -

**74.34 85.57**



# Certification Engineers International Limited

## Notes To The Financial Statements For The Year Ended 31 March 2022

### Note - 10

#### Inventories (Lower Of Cost Or Net Realizable Value)

Stores, Spares And Chemicals In Hand

	₹ In Lakhs)	
	31 March 2022	31 March 2021
	5.85	6.50
	<u>5.85</u>	<u>6.50</u>

### Note - 11

#### Trade Receivables

Trade Receivable (Unsecured)

Considered Good

Considered Doubtful (Credit Impaired)

Less: Allowance for expected credit losses

	1,527.64	1,651.57
	294.71	409.11
	<u>1,822.35</u>	<u>2,060.68</u>
	<u>(294.71)</u>	<u>(409.11)</u>
	<u>1,527.64</u>	<u>1,651.57</u>

Trade Receivables ageing schedule for the year ended as on March 31,2022 and March 31,2021 :-  
31 March 2022

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of Payment					Total
	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 years	
i) Undisputed Trade Receivables - considered good	1,116.25	191.27	61.82	158.29	-	1,527.64
ii) Undisputed Trade Receivables - credit impaired	23.16	12.25	24.29	17.67	217.34	294.71
iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-
iv) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>1,139.42</b>	<b>203.52</b>	<b>86.11</b>	<b>175.96</b>	<b>217.34</b>	<b>1,822.35</b>
Less : Allowance for expected credit losses						(294.71)
<b>Total</b>						<b>1,527.64</b>

31 March 2021

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of Payment					Total
	Less than 6 months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 years	
i) Undisputed Trade Receivables - considered good	1,066.47	184.38	241.00	159.72	-	1,651.57
ii) Undisputed Trade Receivables - credit impaired	50.94	37.00	49.57	42.89	228.71	409.11
iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-
iv) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>1,117.41</b>	<b>221.38</b>	<b>290.57</b>	<b>202.61</b>	<b>228.71</b>	<b>2,060.68</b>
Less : Allowance for expected credit losses						(409.11)
<b>Total</b>						<b>1,651.57</b>

### Note - 12

#### Cash And Cash Equivalents

Balances With Banks In Current Account

Bank Deposits having maturity of less than three months\*

Cash On Hand

	275.91	82.13
	40.00	40.00
	-	0.05
	<u>315.91</u>	<u>122.18</u>

\*Includes interest on bank deposits ₹ Nil (previous year 31 March 2021 : ₹ Nil)

### Note - 13

#### Other Bank Balances

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

Unspent CSR Account - Ongoing projects

	5,934.42	6,183.18
	17.12	
	<u>5,951.54</u>	<u>6,183.18</u>

\*Includes ₹ Nil (previous year 31 March 2021 : ₹ 0.63 Lakhs) held under lien against bank guarantees.

\*Includes interest accrued on bank deposits ₹ 209.20 Lakhs (previous year 31 March 2021 : ₹ 261.67 lakhs)



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# Certification Engineers International Limited

## Notes To The Financial Statements For The Year Ended 31 March 2022

(₹ In Lakhs)

### Note - 14

#### Equity Share Capital

##### Authorised Share Capital

1,200,000 (previous year 31 March 2021 : 1,200,000) equity shares of par value of ₹ 100 each

##### Issued Share Capital

900,000 (previous year 31 March 2021 : 900,000) equity shares of par value of ₹ 100 each

##### Subscribed And Paid Up\*

900,000 (previous year 31 March 2021 : 900,000) equity shares of par value of ₹ 100 each

31 March 2022	31 March 2021
Amount	Amount
1,200.00	1,200.00
1,200.00	1,200.00
900.00	900.00
900.00	900.00
900.00	900.00
900.00	900.00

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

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

##### Equity Shares

Shares Outstanding At The Beginning Of The Year

Add : Bonus Shares Issued During The Year

Shares Outstanding At The End Of The Year

Number	Number
900,000	900,000
-	-
900,000	900,000

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

##### Name Of Shareholders

Engineers India Limited

Shareholding %

Number	Number
900,000	900,000
100%	100%

#### c) Disclosure of Shareholding of Promoters

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

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

Disclosure of shareholding of promoters as at March 31, 2021 is as follows :-

Promoter name	As At 31 March 2021		As At 31 March 2020		
	No. of shares	% of total shares	No. of shares	% of total shares	% Change during the year
Engineers India Limited	900,000	100%	900,000	100%	-

### Note - 15

#### Other Equity

##### Nature And Purpose Of Other Reserves

##### CSR Activity Reserve

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

##### General Reserve

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

##### Other Comprehensive Income

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

### Note - 16

#### Other Financial Liabilities - Non-Current

##### A Security Deposits And Retentions

0.15	33.00
0.15	33.00

##### B Other Financial Liabilities - Current

Security Deposits And Retentions

Accrued Employee Benefits

61.40	26.27
165.99	161.38
227.39	187.65



# Certification Engineers International Limited

## Notes To The Financial Statements For The Year Ended 31 March 2022

(₹ In Lakhs)

31 March 2022 31 March 2021

### Note - 17

#### A Other Non-Current Liabilities

Deferred Income

31 March 2022	31 March 2021
0.02	0.85
0.02	0.85

#### B Other Current Liabilities

Advances Received From Clients

Deferred Income

Unearned Income Billed To Clients

Service Tax /GST Payable

Withholding For Income Taxes

Withholding For Employees Including Employers

Contribution

Other Liabilities

98.00	54.44
0.96	2.49
26.72	134.69
45.68	76.32
19.67	32.00
27.85	30.82
53.45	28.32
302.33	389.08

### Note - 18

#### A Long-Term Provisions

Employees' Post Retirement/Long Term Benefits

761.06	654.77
761.06	654.70

#### B Short-Term Provisions

Employees' Post Retirement/Long Term Benefits

Provision for corporate social responsibility

85.42	31.53
23.32	-
110.74	31.53

### Note - 19

#### Trade Payables

Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 17)

Total outstanding dues of creditors other than Micro

Enterprises and Small Enterprises

59.62	91.21
195.55	133.69
255.17	224.90

Trade Payables ageing schedule for the year ended as on March 31,2022 and March 31,2021 :-

31 March 2022

(₹ In Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of Payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
i) MSME	59.62	-	-	-	-	59.62
ii) Others	187.55	1.06	0.05	2.40	4.48	195.55
iii) Disputed Dues- MSME	-	-	-	-	-	-
iv) Disputed Dues- Others	-	-	-	-	-	-
Grand Total	247.17	1.06	0.05	2.40	4.48	255.17

31 March 2021

(₹ In Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	
i) MSME	91.21	-	-	-	-	91.21
ii) Others	127.46	1.75	0.52	3.28	0.68	133.69
iii) Disputed Dues- MSME	-	-	-	-	-	-
iv) Disputed Dues- Others	-	-	-	-	-	-
Grand Total	218.67	1.75	0.52	3.28	0.68	224.90

\* Trade Payables shown above are net of debit balances.

### Note - 20

#### Current Tax Liabilities (Net)

Provision for taxation (net of advance tax amounting to

₹ 281.22 Lakhs (previous year 31 March 2021 : ₹ 196.82 Lakhs )

41.21	182.87
41.21	182.87





**Certification Engineers International Limited**  
**Notes To The Financial Statements For The Year Ended 31 March 2022**

	(₹ In Lakhs)	
	31 March 2022	31 March 2021
<b>Note - 21</b>		
<b>Revenue From Operations*</b>		
Income From Services	4,632.32	4,906.27
	<b>4,632.32</b>	<b>4,906.27</b>
<b>Increase/(Decrease) In Work-In-Progress</b>		
Closing Work-In-Progress	-	7.82
Less : Opening Work-In-Progress	7.82	3.09
	<b>(7.82)</b>	<b>4.73</b>
	<b>4,624.50</b>	<b>4,911.00</b>
*Excludes Goods and Services Tax (GST)		
<b>Note - 22</b>		
<b>Other Income</b>		
Interest Income		
Bank Deposits	353.80	366.05
Income-Tax Refunds	-	17.07
Financial Assets carried at amortised cost	9.60	8.75
Others - Misc	0.08	0.01
Amortization of Deferred Income	2.66	2.04
Capital Gain On Sale Of Mutual Fund Units	-	3.77
	<b>366.14</b>	<b>397.69</b>
<b>Note - 23</b>		
<b>Manpower Services</b>		
Manpower Services	836.70	650.76
	<b>836.70</b>	<b>650.76</b>
<b>Note - 24</b>		
<b>Employee Benefits Expenses</b>		
Salaries And Allowances	1,824.03	1,994.49
Contribution towards employees pension and provident fund and administration charges thereon	119.06	123.70
Contribution towards National Pension System (NPS) and administration charges thereon	74.80	71.99
Staff Welfare	4.06	6.04
Contribution to Gratuity Fund (Net of contribution received from others)**	9.70	13.55
	<b>2,031.65</b>	<b>2,209.77</b>
**Includes Term Insurance Premium paid to LIC of India.		
<b>Note - 25</b>		
<b>Finance Cost</b>		
Interest on shortfall in payment of Income Tax	4.07	-
Unwinding of Discount on Security Deposits	2.57	1.94
Interest on Lease Liabilities	3.90	0.75
	<b>10.54</b>	<b>2.69</b>
<b>Note - 26</b>		
<b>Depreciation And Amortisation Expenses</b>		
Depreciation On Property, Plant And Equipment	13.75	13.19
Depreciation On Right of use assets	29.27	8.42
Amortisation Of Intangible Assets	0.77	0.63
	<b>43.79</b>	<b>22.24</b>



# Certification Engineers International Limited

## Notes To The Financial Statements For The Year Ended 31 March 2022

(₹ In Lakhs)

31 March 2022 31 March 2021

### Note - 27

#### Other Expenses

##### A Facilities Cost

Rent - Residential Accommodation (Net of Recovery of ₹ 2.02 lakhs (previous year: ₹ 2.56 lakhs))	22.95	29.79
Rent - Office ( Including Amortised Cost )	63.34	77.03
Electricity And Water	31.81	29.41
Repairs To Building	2.56	2.35
Other Repairs And Maintenance	76.74	60.47
Hire Charges - Office Equipment	2.06	2.46
Insurance	6.75	3.31
	<b>206.21</b>	<b>213.85</b>

##### B Corporate Cost

Bank Charges	1.05	1.40
Sitting Fees To Independent Directors	1.65	4.70
Advertisement for tender and recruitment	2.90	2.84
Entertainment	6.11	9.01
Remuneration To Auditors:		
For Audit	3.90	3.90
For Tax Audit	0.60	0.60
Certification	0.11	0.06
Out of Pocket		0.14
Filing Fee	0.04	0.22
Foreign Exchange Difference (Net)	0.97	1.74
Legal And Professional Charges	11.15	5.84
Licences And Taxes	31.74	32.83
	<b>60.22</b>	<b>62.78</b>

##### C Other Cost

Travel And Conveyance	617.27	643.92
Printing, Stationery And General Office Supplies	7.17	8.93
Newspapers And Periodicals	-	0.02
Postage And Telecommunications	18.78	10.14
Courier, Transportation And Handling	1.95	1.61
Allowance for expected credit losses - trade receivables and advances (net)	(114.40)	(35.82)
Amounts Written Off	38.93	26.69
Corporate Social Responsibility Expenditure (Refer note 48)	84.56	5.20
Miscellaneous Expenses	18.01	2.77
Training Expenses	4.08	0.99
	<b>676.37</b>	<b>644.45</b>





# Certification Engineers International Limited

## Notes To The Financial Statements For The Year Ended 31 March 2022

### Note - 28

#### Income Tax

#### Tax Expense Comprises Of:

	31 March 2022	31 March 2021
Current Income Tax	322.22	379.70
Earlier years tax adjustments (net)	7.47	-
Deferred Tax	(15.81)	(0.14)
<b>Income Tax Expense Reported In The Statement Of Profit Or Loss</b>	<b>313.88</b>	<b>379.56</b>

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

#### Statement Of Profit And Loss

Accounting Profit Before Tax	1,125.16	1,502.15
<b>Accounting Profit Before Income Tax</b>	<b>1,125.16</b>	<b>1,502.15</b>
At India's Statutory Income Tax Rate of 25.168 % (31 March 2021 : 25.168%)	283.18	378.06

#### Adjustments In Respect Of Current Income Tax

Tax expense adjusted in other comprehensive income	-	-
Tax Impact Of Exempted Income	-	-
Tax Impact Of Expenses Which Will Never Be Allowed	23.20	2.12
Earlier Years tax adjustments (net)	7.47	-
Earlier Years deferred tax adjustments (net)	-	-
Others	0.03	(0.62)
	<b>313.88</b>	<b>379.56</b>

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

### Note - 29

#### Earnings Per Share (EPS)

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

	31 March 2022	31 March 2021
Profit Attributable To Equity Shareholders	811.28	1,122.59
Weighted Average Number Of Equity Shares	9,00,000	9,00,000
<b>Nominal Value Per Share (Rs.)</b>	<b>100.00</b>	<b>100.00</b>
<b>Earnings Per Equity Share</b>		
Basic	90.14	124.73
Diluted	90.14	124.73

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# Certification Engineers International Limited

## Notes To The Financial Statements For The Year Ended 31 March 2022

### Note - 30

#### Financial asset - fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability.

### Note - 31

#### Financial instruments

#### (i) Financial instruments by category

(₹ In Lakhs)

Particulars	31 March 2022		31 March 2021	
	FVTPL	Amortised	FVTPL	Amortised
<b>Financial assets</b>				
Trade receivables	-	1,527.64	-	1,651.57
Other financial assets	-	1,037.20	-	996.92
Cash and cash equivalents	-	315.91	-	122.18
Other bank balances	-	5,951.54	-	6,184.83
Security deposits	-	-	-	-
<b>Total financial assets</b>	-	<b>8,832.29</b>	-	<b>8,955.50</b>
<b>Financial liabilities</b>				
Trade payables	-	255.17	-	224.90
Security deposits and retentions	-	61.55	-	59.37
Other financial liabilities	-	165.99	-	161.58
Lease Liabilities	-	59.02	-	34.48
<b>Total financial liabilities</b>	-	<b>541.73</b>	-	<b>480.33</b>

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

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

#### (iii) Risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

#### (A) Credit risk

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

#### a) Credit risk management

##### i) Credit risk rating

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

A: Low credit risk

B: Moderate credit risk

C: High credit risk





**Certification Engineers International Limited**  
**Notes To The Financial Statements For The Year Ended 31 March 2022**

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

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

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

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

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

(₹ In Lakhs)

Credit rating	Particulars	31 March 2022	31 March 2021
A: Low credit risk	Cash and cash equivalents, other bank balances and other financial assets	8,537.58	8,546.39
B: Moderate credit risk	Trade receivable	77.37	180.40
C: High credit risk	Trade receivables	217.34	228.71

ii) *Concentration of trade receivables*

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

(₹ In Lakhs)

Particulars	31 March 2022	31 March 2021
Hydrocarbon	779.00	960.50
Infrastructure	759.70	623.88
Railways	170.40	171.88
Others	113.25	304.42
<b>Total</b>	<b>1,822.35</b>	<b>2,060.68</b>

b) **Credit risk exposure**

(i) **Provision for expected credit losses**

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

31 March 2022 (₹ In Lakhs)			
Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	315.91	-	315.91
Other bank balances	5,951.54	-	5,951.54
Loans	-	-	-
Other financial assets	1,037.20	-	1,037.20

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	6,183.18	-	6,183.18
Loans	-	-	-
Other financial assets	998.57	-	998.57



# Certification Engineers International Limited

Notes To The Financial Statements For The Year Ended 31 March 2022

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

31 March 2022

(₹ In Lakhs)

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

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

31 March 2021

(₹ In Lakhs)

Particulars	0 - 90 Days	90 - 180 Days	180 - 270	270 - 360	360 - 450	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	630 - 720 Days	720 - 1095	>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	-

## Reconciliation of loss provision – lifetime expected credit losses

(₹ In Lakhs)

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

## (B) Liquidity risk

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

(₹ In Lakhs)

31 March 2021	Less than 1 year	1 - 2 years	2 - 3 years	Total
<b>Non-derivatives</b>				
Trade payable	224.90	-	-	224.90
Security deposits and retentions	26.37	33.00	-	59.37
Other financial liabilities	161.58	-	-	161.58
Lease Liabilities	0.76	33.72	-	34.48
<b>Total</b>	<b>413.61</b>	<b>66.72</b>	<b>-</b>	<b>480.33</b>

## (C) Market risk

### (i) Foreign exchange risk

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





**Certification Engineers International Limited**  
**Notes To The Financial Statements For The Year Ended 31 March 2022**

**Foreign currency risk exposure:**

(₹ In Lakhs)

Particulars	31 March 2022			31 March 2021		
	USD	EURO	GBP	USD	EURO	GBP
Trade receivables	-	1.14	-	-	0.19	-

**Sensitivity**

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

Particulars	31 March 2022			31 March 2021		
	USD	EURO	GBP	USD	EURO	GBP
Currency sensitivity						
Currency increase by 1%	-	0.01	-	-	-	-
Currency decrease by 1%	-	(0.01)	-	-	-	-

(₹ In Lakhs)

Particulars	31 March 2022		31 March 2021	
	AED		AED	
Trade Payables	-		8.80	

**Sensitivity**

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

Particulars	31 March 2022		31 March 2021	
	AED		AED	
Currency sensitivity				
Currency increase by 1%	-		0.09	
Currency decrease by 1%	-		(0.09)	

**(ii) Price risk**

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

*Sensitivity analysis*

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

Particulars	31 March 2022	31 March 2021
Price sensitivity		
Price increase by (3 %)- FVTPL	-	-
Price decrease by (3 %)- FVTPL	-	-

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**Certification Engineers International Limited**  
Notes To The Financial Statements For The Year Ended 31 March 2022

Note - 32

**RATIOS :-**

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021 :-

Particulars	Numerator	Denominator	31st March 2022	31st March 2021	Variance
Current Ratio (In times)	Current assets	Current liabilities	9.15	8.82	3.7%
Debt – Equity Ratio (In times)	Total Debt (represents lease liabilities)	Shareholder's Equity	0.01	0.00	74.1%
Debt Service Coverage Ratio (In times)	Earnings available for debt service	Debt Service	14.67	39.28	53.9%
Return on Equity (ROE) (In %)	Net Profit for the year	Average Shareholder's Equity	10.14%	14.10%	-28.0%
Trade receivables turnover ratio (In times)	Revenue from operations	Average Trade Receivable	2.91	2.74	6.2%
Trade payables turnover ratio (In times)	Manpower services and other expenses	Average Trade Payables	7.41	6.81	8.8%
Net capital turnover ratio (In times)	Revenue from operations	Working Capital	0.58	0.62	-5.1%
Net profit ratio (In %)	Net Profit for the year	Revenue from operations	17.54%	22.86%	-23.3%
Return on capital employed (ROCE) (In %)	Earning before interest and taxes	Capital Employed = Net worth + Lease Liabilities + Deferred tax liabilities	14.22%	18.57%	-23.5%
Return on investment (ROI) (In %)	Income generated from Investments	Time weighted average Investments	5.74%	6.48%	-11.6%
Reasons for Variance of 25% or above: Debt – Equity Ratio Debt Service Coverage Ratio Return on Equity (ROE)	Increased Lease Liability Increased lease liability Adverse Revenue Mix, higher CSR expenditure, increased misc expenses etc are the major reasons for variance in ROE				





**Certification Engineers International Limited**  
**Notes to the financial statements for the year ended 31 March 2022**

**Note – 33**

**Capital Management**

The Company's objectives when managing capital are:

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

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

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

	31 March 2022	(₹ In Lakhs) 31 March 2021
Equity share capital	900.00	900.00
Other equity	7030.16	7167.27

**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 2022 and 31 March 2021.

**Note – 34**

**Related Party**

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

Serial Number	Name of the Related Party	Nature of Relationship
1	Engineers India Limited ('EIL')	Holding company
2	<b>Directors/Key Management Personnel (31 March 2022)</b>	
	Smt. Vartika Shukla	Chairman (w.e.f. 01.09.2021)
	Shri Rakesh Kumar Sabharwal	Chairman (till 31.08.2021)
	Shri Om Prakash Mishra	Non-official Independent Director (till 23.07.2021)
	Smt. Anita Gurjar	Non-official Independent Director
	Shri Sunil Bhatia	Director (till 30.06.2021)
	Shri Amitabh Budhiraja	Director (till 30.09.2021)
	Shri Avneesh Sawhney	Director (till 30.09.2021)
	Shri Sanjay Jindal	Director (w.e.f. 30.06.2021)
	Shri V. John Paul	Director (w.e.f. 28.10.2021)
	Shri G Suresh	Chief Executive Officer



**Certification Engineers International Limited**  
**Notes to the financial statements for the year ended 31 March 2022**

	Shri Basant Kumar Das	Chief Financial Officer	-
	Ms. Jaya Totlani	Company Secretary	-
3	<b>Directors/Key Management Personnel (31 March 2021)</b>		
	Shri Rakesh Kumar Sabharwal	Chairman (w.e.f 01.02.2021)	Chairman and Managing Director in Engineers India Limited
	Shri J.C.Nakra	Chairman (till 31.01.2021)	Chairman and Managing Director in Engineers India Limited till 31.01.2021
	Shri Om Prakash Mishra	Non-official Independent Director	-
	Ms. Anita Gurjar	Non-official Independent Director	-
	Shri Sunil Bhatia	Director	Director (Finance) in Engineers India Limited
	Shri R.Mahajan	Director (till 31.08.2020)	Executive Director in Engineers India Limited till 31.08.2020
	Shri Amitabh Budhiraja	Director	Executive Director in Engineers India Limited
	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	-

**(b) Related Party Transactions**

During the year ended 31 March 2022, 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 (Shown under Manpower Services head in Profit & Loss account)	Holding Company	31 March 2022	241.73	(110.70)
		31 March 2021	207.31	(60.70)
Execution of contract for Services (Shown under Income from Operations head in Profit & Loss account)	Holding Company	31 March 2022	226.13	71.58*
		31 March 2021	836.40	313.23*





**Certification Engineers International Limited**
**Notes to the financial statements for the year ended 31 March 2022**

Dividend (interim and final)	Holding Company	31 March 2022	963.00	-
		31 March 2021	927.00	-

\*includes security deposit of ₹ 31.01 Lakhs and ₹ 39.39 Lakhs as at 31.03.2022 and 31.03.2021 respectively.

(c) Director's remuneration:

Sitting fees paid to Non-official Independent Directors for 31 March 2022 is ₹ 1.65 Lakhs (Previous year 31 March 2021 : ₹ 4.20 Lakhs)

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

(₹ in Lakhs)		
Particulars	31 March 2022	31 March 2021
Remuneration	71.89	65.82

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

(₹ in Lakhs)		
Particulars	31 March 2022	31 March 2021
<b>Transaction during the year</b>		
Remuneration	36.57	66.52
Rent Paid for residential accommodation	NIL	1.81
<b>Balance as at year end</b>		
Outstanding loans, interest and other receivables	NIL	NIL

**Defined Benefit obligation for Key Management Personnel (Other than CEO) :-**  
(₹ in Lakhs)

Particulars	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Total Defined Benefit Obligation	10.05	9.23	25.80	17.80	0.71	0.67

**Note - 35**

**Contingent Liabilities and Commitments**

**i) Contingent Liabilities:**

- a) Income Tax assessments have been completed up to the assessment year 2019-2020. Tax liability, if any, in respect of pending assessment for subsequent assessment years up to assessment year 2021-22 cannot be ascertained. Due taxes on self-assessment basis have been paid.



**Certification Engineers International Limited****Notes to the financial statements for the year ended 31 March 2022**

- b) 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.
- c) The Company has filed an application for rectification (u/s 154) of processing mistakes amounting to ₹ 124.37 Lakhs (inclusive of interest) (Previous Year ₹ Nil) as wrongly shown in computation sheet attached with the Assessment Order u/s 147 r.w.s 144 read with section 144B dated 30.03.2022 for the assessment year 2015-16.
- d) The Company has filed an appeal against a demand of service tax of ₹ 1130.41 Lakhs (inclusive of interest and penalty) (Previous Year ₹1092.02 Lakhs (inclusive of interest and penalty)) by Commissioner of Service Tax issued on 20 January 2016 covering the period from April 2004 to March 2013 before Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai. Pre-deposit of Rs 19.20 Lakhs had been deposited by the company on 13.04.2016.

**ii) Commitments:**

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

**Note – 36****Employee Benefits**

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

**Defined Contribution Plan**

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

(₹ In Lakhs)

Particulars	31 March 2022	31 March 2021
Contributory Provident Fund and Employees' Pension Scheme, 1995	119.06	123.70
Contributory National Pension System (NPS)	74.80	71.99

**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, 2022 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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**Certification Engineers International Limited**  
**Notes to the financial statements for the year ended 31 March 2022**

**Disclosures related to funded obligations**

(₹ In Lakhs)						
a) The amounts recognized in the balance sheet						
	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Present value of obligations as at the end of year	440.12	427.43	834.13	665.47	25.18	25.93
Fair value of plan assets as at the end of the year	452.95	429.62	-	-	-	-
Amount Not Recognised due to asset limit	-	-	-	-	-	-
Funded status	(12.83)	(2.19)	(834.13)	(665.47)	(25.18)	(25.93)
<b>Net (asset)/liability recognized in balance sheet</b>	<b>(12.83)</b>	<b>(2.19)</b>	<b>834.13</b>	<b>665.47</b>	<b>25.18</b>	<b>25.93</b>

(₹ In Lakhs)						
b) Expenses recognized in statement of profit and loss						
	Gratuity (Funded)		Leave encashment (Unfunded)*		Long service awards (Unfunded)	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Current service cost	10.20	10.88	108.58	122.47	2.10	2.36
Past service cost	-	-	-	47.11	-	-
Interest on net benefit asset/liability	(3.50)	2.67	45.19	38.27	1.66	1.44
Re-measurements gains/losses	-	-	147.41	(8.86)	(1.51)	0.17
<b>Expenses recognized in statement of profit and loss</b>	<b>9.70</b>	<b>13.55</b>	<b>301.18</b>	<b>198.99</b>	<b>2.25</b>	<b>3.99</b>

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

(₹ In Lakhs)						
c) Expenses recognized in Other comprehensive income						
	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Actuarial (gains)/loss	-	-	-	-	-	-
Change in financial assumption	(20.09)	(8.76)	-	-	-	-
Change in demographic assumption	(6.28)	-	-	-	-	-
Experience adjustments	5.27	(4.18)	-	-	-	-
Actual return on plan assets	1.58	(2.06)	-	-	-	-
Adjustments to recognise the effect of asset ceiling	-	-	-	-	-	-
<b>Expenses recognized in other comprehensive income</b>	<b>(19.52)</b>	<b>(15.00)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**Certification Engineers International Limited**  
**Notes to the financial statements for the year ended 31 March 2022**

d) Reconciliation of opening and closing balances of defined benefit obligation (₹ In Lakhs)						
	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Present value of obligations as at beginning of year	427.43	421.68	665.47	582.19	25.93	22.79
Interest cost	29.50	27.82	45.19	38.27	2.10	1.44
Current service cost	10.20	10.88	108.58	122.47	1.66	2.38
Past service cost	--	--	--	47.11	--	--
Actuarial (gain)/loss on obligations	(21.11)	(12.95)	147.41	(8.86)	(1.51)	0.17
Benefit paid	(5.90)	(20.00)	(132.52)	(115.71)	(3.00)	(0.85)
<b>Present value of obligations as at end of year</b>	<b>440.12</b>	<b>427.43</b>	<b>834.13</b>	<b>665.47</b>	<b>25.18</b>	<b>25.93</b>

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 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Fair value of plan assets as on beginning of year	429.62	377.34	--	--	--	--
Interest on plan assets	30.00	25.15	--	--	--	--
Re-measurements due to actual return on plan assets less interest on plan assets	(1.58)	2.06	--	--	--	--
Contributions	0.81	45.07	--	--	--	--
Benefits paid	(5.90)	(20.00)	--	--	--	--
<b>Fair value of plan assets at the end of year</b>	<b>452.95</b>	<b>429.62</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

f) Actuarial Assumptions						
	Gratuity (Funded)		Leave encashment (Unfunded)		Long service awards (Unfunded)	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Discount rate	7.30 %	6.95%	7.30 %	6.95%	7.30 %	6.95%
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





**Certification Engineers International Limited**  
**Notes to the financial statements for the year ended 31 March 2022**

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

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

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

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

g) Maturity profile of defined benefit obligation							(₹ In Lakhs)	
	Gratuity (Funded)		Leave Encashment (Earned Leave) (Unfunded)		Leave Encashment (Half Pay Leave) (Unfunded)		Long Service Awards (Unfunded)	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Weighted average of the defined benefit obligation	12.87 Years	13.49 Years	8.40 Years	12.20 Years	6.85 Years	8.76 Years	4.09 Years	4.81 Years
Duration of defined benefit obligation								
Duration (years)								
1	11.30	5.97	50.14	15.82	28.63	14.70	6.65	4.00
2	4.76	5.94	46.06	16.31	27.79	15.06	3.13	6.05
3	4.96	6.24	46.49	17.13	27.53	15.45	0.77	3.03
4	5.27	7.00	47.02	18.26	27.29	15.85	2.78	0.71
5	5.57	7.41	47.55	19.21	27.05	16.26	0.94	2.68
6	25.01	8.17	48.89	20.52	33.69	16.68	5.58	0.85
7	41.73	27.64	72.27	21.64	26.69	25.41	2.66	4.98
8	6.42	42.50	45.95	52.24	24.08	18.14	0.45	2.53
9	115.85	8.96	101.79	22.49	30.13	16.31	2.19	0.41
Above 10	1029.92	1103.20	687.06	1034.46	209.46	255.48	10.64	11.45

h) Major Categories of Plan Assets (as percentage of total plan assets)						
	Gratuity (funded)		Leave Encashment (Unfunded)		Long Service Awards (Unfunded)	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Fund managed by insurer	100%	100%	--	--	--	--

i) Sensitivity Analysis Gratuity (Funded)					(₹ In Lakhs)	
Particulars	Discount rate		Salary escalation rate		31 March 2022	31 March 2021
	31 March 2022	31 March 2021	31 March 2022	31 March 2021		
Impact of increase in 50 bps on defined benefit obligation	-6.18%	-6.47%	0.79%	1.09%		
Impact of decrease in 50 bps on defined benefit obligation	6.70%	7.04%	-0.81%	-1.15%		



**Certification Engineers International Limited**  
**Notes to the financial statements for the year ended 31 March 2022**

**Leave Encashment (Earned Leave) (Unfunded)**

Particulars	Discount rate		Salary escalation rate	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Impact of increase in 50 bps on defined benefit obligation	-4.07%	-5.86%	4.25%	6.20%
Impact of decrease in 50 bps on defined benefit obligation	4.34%	6.36%	-4.02%	-5.78%

**Leave Encashment (Half Pay Leave) (Unfunded)**

Particulars	Discount rate		Salary escalation rate	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Impact of increase in 50 bps on defined benefit obligation	-3.33%	-4.24%	3.45%	4.42%
Impact of decrease in 50 bps on defined benefit obligation	3.52%	4.53%	-3.30%	-4.18%

**Long Service Awards (Unfunded)**

Particulars	Discount rate		Salary escalation rate	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Impact of increase in 50 bps on defined benefit obligation	-1.98%	-2.33%	-2.14%	-2.53%
Impact of decrease in 50 bps on defined benefit obligation	2.07%	2.44%	1.51%	2.88%

**Note – 37**

**Proposed Dividend**

	(₹ In Lakhs)	
	31 March 2022	31 March 2021
<b>Proposed dividend on equity shares</b>		
Proposed Final dividend for 31 March 2022 (₹26.00 per share) (previous year 31 March 2021 : ₹ 47.00 per share)	234.00	423.00
<b>Total</b>	<b>234.00</b>	<b>423.00</b>
Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as liability.		

**Note – 38**

CSR activity reserve amounting to ₹ 17.10 Lakhs for 31 March 2022 (Previous year 31 March 2021 : ₹ 73.52 Lakhs. Lakhs) represents unspent amount out of amounts set aside for meeting social obligations as per Department of Public Enterprise guidelines and the Companies Act 2013 for Corporate Social Responsibility

**Note – 39**

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





**Certification Engineers International Limited**  
**Notes to the financial statements for the year ended 31 March 2022**

**Note – 40**

Liability in respect of 'Performance Related Pay', amounting to ₹ 25.53 Lakhs (previous year 31 March 2021 : ₹ 56.74 Lakhs) for the employees for the year ended on 31 March 2022 has been estimated and provided based on scheme formulated in accordance with DPE guidelines, based upon certain ranking parameters.

**Note – 41**

Guarantees issued by banks and outstanding as on 31 March 2022 ₹ 586.33 Lakhs , inclusive of Expired BG of ₹ 9.19 Lakhs, (previous years 31 March 2021 653.07 Lakhs , inclusive of Expired BG of ₹ 19.75 Lakhs).

**Note – 42**

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

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

**Note – 43**

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

(₹ In Lakhs)			
S. No.	Particulars	31 March 2022	31 March 2021
I	Amount due and payable at the year end		
	- Principal	59.62	91.21
	- 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 – 44**

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

**Note – 45**

The details of revenue are as below:

(₹ In Lakhs)		
Particulars	31 March 2022	31 March 2021
Revenue from Operations	4624.50	4911.00
Other Income	366.14	397.69
<b>Total Revenue</b>	<b>4990.64</b>	<b>5308.69</b>



**Certification Engineers International Limited**  
**Notes to the financial statements for the year ended 31 March 2022**

**Note – 46**

**Trade receivables and Contract Balances**

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

(₹ In Lakhs)

Particulars	31 March 2022	31 March 2021
Trade Receivables (Note No. 11) – Net of Allowance for expected credit losses	1527.64	1651.57
Contract Assets ( Unbilled Revenue) (Note No. 6 B)	627.16	600.51
Contract Liabilities ( Unearned Revenue) (Note No. 17 B)	26.72	124.69
Contract Liabilities ( Advance from Customers) (Note No. 17 B)	98.00	54.44

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, 2022, ₹ 600.51 Lakhs of unbilled revenue as of April 1, 2021 (Previous year Rs. ₹ 419.52 Lakhs) has been reclassified to Trade receivables upon billing to customers.

During the year ended March 31, 2022, the company recognized revenue of ₹124.69 Lakhs arising from opening unearned revenue as of April 1, 2021 (Previous year ₹ 112.51 Lakhs)

During the year ended March 31, 2022, the company recognised revenue of ₹ 7.82 Lakhs (Previous year ₹ 3.09 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 2022 is ₹ 5606.35 Lakhs (Previous year ₹ 4253.47 Lakhs ). Out of this, the Company expects to recognize revenue of around 35% within the next one year and the remaining thereafter.





**Certification Engineers International Limited**  
**Notes to the financial statements for the year ended 31 March 2022**

**Note – 47**

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

Tax deducted at source by our clients & banks for the financial year 2021-22 is subject to reconciliation with Form 26AS.

**Note – 48**

**Corporate social responsibility expenses**

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

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

Particulars	(₹ in lakhs)	
	31 March 2022	31 March 2021
Amount required to be spent by the Company during financial year	28.14	30.10
Amount spent during the year	59.23	5.20
Amount of Expenditure incurred	84.56	5.20
Shortfall at the end of the year	25.32	24.90
Total of previous years shortfall	17.10	48.62
Amount available for Set Off	-	-
Total of Excess amount spent at the end of year including previous year	-	-
Surplus arising out of CSR Project	-	-
Reason for Shortfall	Pertains to ongoing projects	Rs. 64.80 Lacs Pertains to ongoing projects & Rs. 8.72 Lacs transferred to PMNRI on 29.09.21
Details of related party transactions	Not Applicable	Not Applicable
Provision made with respect to a liability incurred	25.32	-

Also Refer Note No 15 & 18B.

\*Movement of Provision

Particulars	(₹ in lakhs)	
	31 March 2022	31 March 2021
Opening balance	-	31.00
Additional provision during the year	25.32	-
Provision used during the year	-	31.00
Closing balance	25.32	-

**(b) Amount spent during the financial year ended 31 March 2022 and 31 March 2021 on:**

Particulars		(₹ in lakhs)		
		In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	31 March 2022	2.82	25.32	28.14
	31 March 2021	-	-	-
(ii) On purposes other than (i) above	31 March 2022	56.42	-	56.42
	31 March 2021	5.20	-	5.20



**Certification Engineers International Limited**  
**Notes to the financial statements for the year ended 31 March 2022**

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

Nature of CSR activities (Thrust Area-wise)	(₹ in lakhs)	
	31 March 2022	31 March 2021
Promoting Education	-	-
Health care & nutrition	37.80	4.20
Skill Development / Vocational Training	28.14	-
Disaster Management	-	-
Benefit of armed forces veterans, war widows etc.	-	-
Prime Minister National Relief Fund	8.72	-
Others	9.90	1.00
<b>Total</b>	<b>84.56</b>	<b>5.20</b>

**Note – 49**

Compensation of Rs. 15.00 Lacs has been granted by the company in its 126<sup>th</sup> Board Meeting of Board of Directors to Survivors of Late Mr Arjun T (Outsourced Employee of CEIL), who was found deceased while on service to CEIL on Barge P-305 which sank due to Cyclone 'Tauktac'. The said compensation has been shown in profit & loss account under "Miscellaneous Expenses" (Note No 27C).

**Note – 50**

**Income Tax Refundable details are as follows:-**

(₹ in lakhs)

Assessment Year	31 March 2022	31 March 2021
2002-03	9.82	9.82
2007-08	11.85	11.85
2008-09	7.00	7.00
2011-12	20.99	20.99
2012-13	2.88	2.88
2014-15	48.61	48.61
2016-17	4.14	4.14
2018-19	38.68	42.06
2019-20	-	7.48
2020-21	106.39	106.39
2021-22	0.37	-
	<b>250.73</b>	<b>261.22</b>

**Note – 51**

- The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year 2021-22.
- The company has not been declared wilful defaulter by any bank or financial institution.
- The non-fund based facilities from banks are unsecured. The company is availing non fund based facilities from a bank and furnishing required documents as and when required by the banker, more particularly at the time of renewal exercise i.e. on yearly basis.
- There are no pending charges which is yet to be registered with Registrar of Companies (ROC) as on 31 March 2022 with respect to the Non fund based facilities availed by CEIL.





**Certification Engineers International Limited**  
**Notes to the financial statements for the year ended 31 March 2022**

**Note – 52**

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


**For S.B.G & Company.**  
Chartered Accountants  
Firm Regn. No. 001818N

**For and on behalf of Certification Engineers International Limited**

  
**CA S.B. GUPTA**

Partner

Membership No. 089415

  
**(J. TOTLANI)**

Company Secretary

PAN : BGIPK9258H

  
**(BASANT K DAS)**

Chief Financial Officer

PAN : AEUPD5295E

  
**(G. SURESH)**


Chief Executive Officer

PAN : AGLPS8759H

  
**(SANTAY JINDAL)**

Director

DIN : 09223617

  
**(VARTIKA SHUKLA)**

Chairman

DIN : 08777885

**Place : New Delhi**

**Date : May 25 , 2022**



**UDIN: 22089415AJRZL6877**