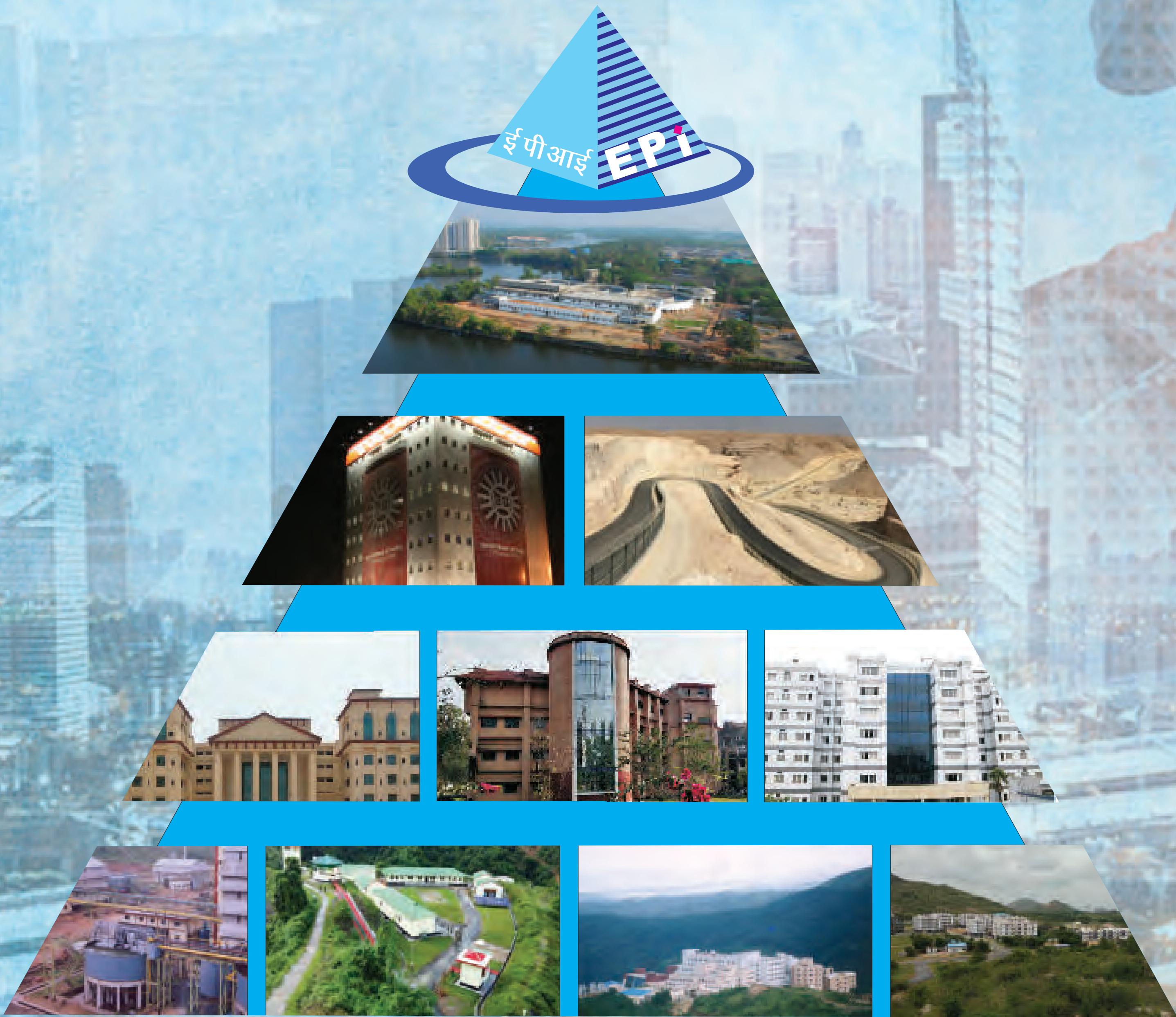
Azadi Ka Amrit Mahotsav

51st वार्षिक प्रतिवेदन
ANNUAL REPORT
2020 - 2021



इंजीनियरिंग प्रोजेक्ट्स (इंडिया) लि.

(भारत सरकार का उद्यम)

ENGINEERING PROJECTS (INDIA) LTD.

(A GOVERNMENT OF INDIA ENTERPRISE)

Azadi Ka Amrit Mahotsav

Mission / Vision

To be leading turnkey project Execution company committed to quality and timely completion of projects, continuously enchancing stakeholder value.

Major Areas of Operation

Objectives

i) Focus and maintain business in its most profitable segments while expanding into new business segments.

ii) Deliver exceptional client service with an unrelenting focus on value creation.

iii) Pursue operational excellence with a Strong focus on quality and margins.

CONTENTS

REFERENCE INFORMATION

REGISTERED OFFICE

Core 3, SCOPE Complex,
7 Lodhi Road, New Delhi - 110003
Phone No: 91-11-24363426
Fax: 91-11-24363426
E-mail: epico@engineeringprojects.com
Website: www.engineeringprojects.com

REGIONAL OFFICES

Eastern Regional Office-Kolkata
Unit No. 1204, 12th Floor,
Ambuja Neotia Ecocentre,
Block-EM, Plot No. 04
Sector-V, Salt Lake City, Kolkata-700091
Phone: (33) 40690059, (33) 40064469
E-mail: ero@engineeringprojects.com

Western Regional Office-Mumbai
"Bakhtawar", 6A, 6th Floor,
Nariman Point, Mumbai- 400021
Phone: 91-22- 22027585, 91-22- 22026347
E-Mail: wromumbai@engineeringprojects.com

Northern Regional Office-Delhi
Core-3, 5th Floor, SCOPE Complex,
7 Lodhi Road, New Delhi – 110003
Phone: 91-11-24363426
Fax: 91-11-24368293
E-mail : nro@engineeringprojects.com

Southern Regional Office-Chennai
3D, East Coast Chambers,
92, G.N Chetty Road,
T. Nagar, Chennai -600017
Phone: 91- 44-28156886, 28156421
Fax: 91-44-28156629
E-Mail: sro@engineeringprojects.com

North Eastern Regional Office
4th Floor Hindustan Tower, Jawahar Nagar,
National Highway No.37, Beltola
Guwahati -781022 (Assam)
Phone : 0361-2962648
E-mail : nero@engineeringprojects.com

PROJECT OFFICES

Project Coordination & Business Development Division, M.P. – Bhopal
E7/832, Ground Floor, Arera Colony,
Bhopal-462016, Madhya Pradesh
Phone: 91-9711724791
Email: umang.chugh@engineeringprojects.com

PCO- Hyderabad Office
Plot No. 50, 1st Floor
Kamalapuri Colony, Phase-3
Hyderabad-500073
Phone: 040-23544461
Email: epil.pcohyd@engineeringprojects.com

PCO- Visakhapatnam Office
H. No. 31.12/2, Road No. 03
Sathavahana Nagar, Kurmana Palem,
Visakhapatnam- 530046,
Andhra Pradesh
Email: pco-vizag@engineeringprojects.com

PCO- Bhubaneswar Office
Plot-109, Flat No. -201, Suryanagar, Unit-7,
Bhubneshwar-751003

CAMP OFFICE MUSCAT
Engineer-3 Project Oman
C/o. Engineering Projects (India) Limited-OMAN, Post Box No. 3251
Postal Code 112 RUWI
Sultanate of Oman
E-mail: shamsher-singh@engineering projects.com
Phone: +968-71991836

SRI LANKA PROJECT
No. 158, Ground Floor,
2nd Lane, Pandarikulam
Vavuniya, Northern Province
Sri Lanka, Pin Code : 43000

MYANMAR OFFICE
#1003, 10th Floor, 50th Street
Condominium Lower Block,
Botahtaung Tsp, Yangon, Myanmar

AUDITORS:

STATUTORY AUDITOR
M/s. GSK & Associates LLP, New Delhi
8, 1st Floor, Rani Jhansi Road,
Motia Khan Industrial Area,
New Delhi 110055

BRANCH AUDITORS

Northern Region Branch Auditors
M/s. Goel Garg & Co., Delhi
18, Ground Floor, National Park,
Lajpat Nagar-IV, New Delhi 110024

Eastern Region & North Eastern Region Branch Auditors
M/s. Jain Saraogi & Co., Kolkata
1, Crooked Lane, Kolkata,
West Bengal 700069

Western Region Branch Auditors
M/s. Jain & Jain LLP, Mumbai
601, Jolly Bhavan No. 2, 51,
New Marine Lines, Opp.
Nirmala Niketan College,
Mumbai-400020

Southern Region Branch Auditors
M/s. Ramanujam & Boovarahan, Chennai
4/56, Kalpataru, Flat I A, K. B. Dasan Road,
Alwarpet, Chennai-600018

FOREIGN BRANCH AUDITORS

Sri Lanka Branch Auditors
M/s Ranaweera Associates, Sri Lanka
58/10B, 4th Lane, DM Colombage,
Mawatha, Colombo 05

Oman Branch Auditors
M/s H. C. Shah, Oman
P.O Box 2508, Ruwi, P.C. 112,
Muscat, Sultanate of Oman

Myanmar Branch Auditors
M/s Daw Me Me Soe, Myanmar
Room No.3, Bld No. 6, PYI YEIK MON,
Housing, Kamaryut Township,
Yangon, Myanmar

COST AUDITOR

M/s A.G. Agarwal & Associates,
Cost Accountants
H.O. IIB/76, Usha Villa,
Vaishali, Ghaziabad,
Uttar Pradesh- 201010

SECRETARIAL AUDITOR

M/s. MNK and Associates LLP
Company Secretaries
G-41, Ground Floor, West Patel Nagar,
New Delhi- 110008
Tel : 011-45095230,
Mob : 9818156340
Email: nazim@mnkassociates.com

MAIN BANKERS

Allahabad Bank
Axis Bank
Bank of Baroda
Canara Bank
HDFC Bank
ICICI Bank
Indian Overseas Bank (IOB)
IDBI Bank
IndusInd Bank
State Bank of India
Union Bank of India

BOARD OF DIRECTORS

(As on the date of AGM)

Shri Dhirendra Singh Rana
Chairman & Managing Director
[w.e.f.19.09.2019]

Shri Hari Narayan Thakur
Director (Projects)
[w.e.f. 21.10.2019]

Shri Raj Pal Singh
Director (Finance)
[w.e.f.18.10.2021]

Smt.Nidhi Chhibber
Part Time Official Director
[w.e.f. 15.06.2021]

Shri Rajesh Kumar
Part Time Official Director
[w.e.f. 01.11.2021]

Smt. Akanksha Pare
Part Time Non- Official Director
[w.e.f. 02.11.2021]

Shri Vinod Kumar Yadav
Part Time Non- Official Director
[w.e.f. 02.11.2021]

FINANCIAL STATUS FOR LAST FIVE YEARS

(Rs. in Lakhs)

Particulars/Years	2016-17	2017-18	2018-19	2019-20	2020-21
A. Operating Statistics					
Domestic (a)	107,048.20	81,196.02	67,489.92	62,248.87	53,041.40
Foreign (b)	55,097.22	79,544.97	111,614.95	71,410.08	27,520.77
Turnover (Operating Income) (c)=(a+b)	162,145.42	160,740.99	179,104.87	133,658.95	80,562.17
Other Income (d)	3,397.72	1,526.79	517.51	732.00	511.95
Total Income (e)= (c+d)	165,543.14	162,267.78	179,622.38	134,390.95	81,074.12
Total Expenditure (f)	164,373.57	161,456.08	181,893.83	132,635.16	84,311.26
Gross Margin (g) =(e-f)	1,169.57	811.70	(2,271.45)	1,755.79	(3,237.14)
Interest	614.25	485.70	501.48	852.41	1,032.31
Depreciation	143.58	154.68	189.64	109.12	99.36
Profit Before Tax (PBT)	411.73	171.32	(2,962.56)	794.26	(4,368.81)
Income Tax	142.28	157.78	339.94	702.23	605.50
Profit After Tax (PAT)	269.45	13.54	(3,302.50)	92.03	(4,974.31)
Dividend Paid*	-	-	-		27.61
Dividend Distribution Tax Paid	-	-	-	-	-
Balance Carried Forward to Reserves & Surplus	269.45	13.54	(3,302.50)	92.03	(5,001.92)
No. of Employees	372	363	327	303	289
No. of Equity Shares of Rs.10/- each	35422688	35422688	35422688	35422688	35422688
B. Financial Position					
Share Capital	3,542.27	3,542.27	3,542.27	3,542.27	3,542.27
Reserve and Surplus (Free Reserves)	19,511.03	19,524.56	16,222.06	16,314.09	11,312.18
CSR Reserve	-	-	-	-	-
Net Worth (Shareholders' Funds)	23,053.30	23,066.83	19,764.33	19,856.36	14,854.45
Capital Employed	23,053.30	23,066.83	19,764.33	19,856.36	14,854.45
C. Financial Ratios					
Turnover per Employee (Rs. In lakhs)	435.87	442.81	547.72	441.12	278.76
Gross Margin / Turnover (%)	0.72	0.50	(1.27)	1.31	(4.02)
Profit Before Tax (PBT)/ Turnover (%)	0.25	0.11	(1.65)	0.59	(5.42)
Profit Before Tax (PBT)/ Net Worth (%)	1.79	0.74	(14.99)	4.00	(29.41)
Profit After Tax (PAT)/ Net Worth (%)	1.17	0.06	(16.71)	0.46	(33.49)
Dividend paid / Profit before tax (%)	-	-	-	-	3.48
Dividend paid / Profit after tax (%)	-	-	-	-	30.00
Basic and Diluted EPS (in Rs)	0.76	0.04	(9.32)	0.26	(14.04)
NAV Per Share having Face Value of Rs.10/-	65.08	65.12	55.79	56.06	41.93

* Dividend paid during FY 2020-21 pertains to FY 2019-20.

CHAIRMAN’S MESSAGE

Dear Shareholders’

On behalf of the Board of Directors, I am pleased to present to you the 51st Annual Report of your Company for the year 2020-21.

Industry Scenario & Business Opportunities:

Infrastructure is a key driver of the overall growth of a country and more so in a developing economy like India.

The construction industry is an important pillar industry of the national development, with huge multiplier effect on various other sectors of economy, including employment generation. To strengthen the sector and to mitigate the infra bottlenecks, the government, in the recent past, has announced several initiatives, ranging from National Infrastructure Pipe Line to Atmanirbhar Bharat to Gati-Shakti, all with a clear view to boost public spending and fast track the project implementation and last mile delivery.

Performance Review of EPI:

During the financial year 2020-21, COVID-19 unfolded unprecedented challenges globally as also to our company. The impact of Covid 19 on the construction sector in India has been quite detrimental during first half of the year. The restrictions on account of lock-down and disruptions of supply chains, both for men and materials, took sever toll on the revenue and profitability of your company.

The above unforeseen adversity came at a time when one of the international flagship projects of EPI, which has been contributing very substantially to its top and bottom line for the last 7 years, was successfully completed and its contribution to EPI’s revenue and profitability dried up. There is reduction in the international turnover from 714.10 Crore (53% of the Total Turnover) during the last year to 275.21 Crore (34% of the Total Turnover) in 2020-21.

On account of two factors, EPI recorded a declined revenue of Rs. 806 Crore during FY2020-21, with PAT of Rs. 50 Crore (Loss) as against marginal profit of Rs. 0.9 Crore for the previous Financial Year.

Future Road Map:

“Every Challenge is an Opportunity in disguise “

The above quote turns out to be very apt in the context of EPI at present.

After undertaking a thorough review of the business operations of EPI, a two pronged strategy has been adopted to put your company back on growth path with a sustainable business model, insulating it from the vagaries of over dependence either on a single project or a sector. These twin initiatives can be broadly classified as “Cost-cutting / Revenue Maximization” and “Diversification & New Opportunities” and various steps taken in each of these two areas are briefly indicated below for your appreciation:

Cost Cutting / Revenue Maximization:-

Some of the key initiatives put in place during the year are as below:-

- Rationalization of Manpower leading to reduction in contractual manpower
- Consolidation of multiple bank accounts for better cash management
- Reduction in working capital OD from earlier 100 Cr plus to about 50 Cr on an average
- Substantial pruning of Finance costs due to close monitoring of repayment of debt and better BG terms
- Leasing out of one entire floor in SCOPE Complex to a PSU, thus generating a perennial revenue stream
- Massive reduction in Tours/ travels expenses with better use of digital means
- Introduction of SAP, On-line Bill Tracking System to improve transparency
- Implementation of Project-wise accounting for increased sensitization of cost/time over-runs
- Up scaling of internal design and architectural competency

Diversification & New Business Opportunities:-

For quite some time your company has been predominantly operating into those fields of construction sectors, like buildings, roads, etc where very little moat exists today and the margins are on decline due to fierce competition from private players.

In order to, therefore, not only grab the latest opportunities but to also improve the overall profit margins, EPI over last year has diversified in many new fields of infrastructure, to make a few :-

- Airports: Working as Independent Engineer at 3 airports Ahmedabad, Mangaluru and Lucknow
- Railways: Offering PMC services for ROB projects worth app Rs 1200 Cr
- Rope Ways: EPI signed MoU with Department of Tourism, Govt. of Karnataka for Ropeways projects - Kollur-Kodachadri at Udupi-Shimoga District, Mullayanagiri at Chikkamangaluru District and Nandi Hills at Chikkaballaapur District
- Smart City Projects: Executing projects worth Rs 400 Cr in Odisha and Kerala State
- Swachh Bharat Mission: A maiden project is in progress in Goa
- Flue Gas Desulpherization (FGD): One Rs 260 Cr project under implementation and bids for Rs. 1000 Cr on the table
- Land Management Agency : Designated as LMA by Govt. of India to assist the disposal of land/immovable assets of sick/loss making CPSUs
- Warehouses & Silos : Appointed as PMC for Const. of 25000 MT / 50000 MT Steel Silos by CWC

All the above has been possible due to technology tie ups in these strategic areas with suitable domestic and international companies and appropriate positioning of your company before new Clients. The results of the efforts made by your company speak for themselves in terms of domestic order wins in the last 4 years:-

S. No.	Year	Total order won (Rs.)
1	2017-18	230.31 Crore
2	2018-19	338.38 Crore
3	2019-20	1762.12 Crore
4	2020-21	4155.14 Crore

You will be happy to note that as on 31-3-2021, the balance order book of the company stands at Rs 6801.67 Cr, which provides a reasonable revenue visibility at least for next 3-4 years.

I will also take this opportunity to inform all the shareholders and the members of the Board that the process of firming up many EOI (Expression of Interest) with some of the globally renowned companies, to enable EPI to capture new business opportunities in Water Treatment, Dredging, Solid Waste Management, Solar power, Smart-Metering, Police-installations modernization, Medical Health Card generation etc are at advanced stage. The culmination of these tie ups in the form of tangible orders is likely to commence in very near term.

Future Challenges:-

Various efforts outlined above will make sure that your company remains a vibrant and dominant PSU on the infrastructure scene of our country. However, there are a few challenges also, mainly emanating from the Contingent Liability of EPI, standing at Rs 601 Cr as on 31-3-2021 for which provisioning is yet to be made. Full efforts are underway to ensure that these liabilities are contained and fresh accrual on account of various old & delayed projects is minimized.

Similarly, due to bankruptcy of one of the JV partner of your company in another international project, the emerging situation is being pursued very carefully with the Client to avoid any adverse impact on EPI's finances.

Subsidiary Company

A Subsidiary Company of EPI which was incorporated on 19th May 2016 as "EPI Urban Infra Developers Limited" (EPIUIDL) is non-operational since its incorporation. The company is in the process of its closure.

Performance under MOU

The performance of the Company has been rated "Fair" by the Department of Public Enterprise (DPE) in terms of the MoU signed by the Company with the Government for the year 2019-20.

Dividend

Your Directors have not recommended any Dividend for the financial year 2020-21 due to inadequacy of profits and cash.

Human Resource

Considering that your company is one of the PSUs to be disinvested, induction of fresh manpower has been put on hold by Core Group on Disinvestment (CGD) last year. This is creating a peculiar situation wherein the order book of your company is on the rise, but the permanent employees to manage the same are on decline. However, let me assure you that EPI shall manage this hurdle through various modes of temporary hiring by creating market oriented compensation packages.

Corporate Governance

Your Company is committed to follow good corporate governance practices in conducting business in a legal, ethical, and transparent manner. EPI has been complying with the Corporate Governance Guidelines issued by Department of Public Enterprise (DPE) and submit Quarterly and Annual Compliance Reports to Ministry of Heavy Industries (MHI). A Report on Corporate Governance and Management Discussion and Analysis forms part of the Annual Report.

Corporate Social Responsibility and Sustainability

Your Company is committed to create a positive and lasting social impact by mutual trust and respect by raising the standards of living of the people in and around the project site.

During the year, no activities were undertaken due to the NIL budget allocation. However an amount of Rs. 1.33 Lakhs (been unspent & carried forward from previous years) has been contributed to PM CARES Fund on 30.03.2021.

Acknowledgement

I, on behalf of the Board of Directors and on my own behalf, place on record my appreciation for the commitment and hard work of the employees whose sincere and continued efforts has resulted in achieving the targets and growth. I am also thankful for the continuing support and guidance received from Members of the Board, Government of India, particularly the Ministry of Heavy Industry, other Government Departments, Shareholders, Statutory Auditors, Comptroller & Auditor General of India, Business Associates and Banks. I also wish to place on record my sincere thanks to the esteemed clients who have reposed full confidence in your Company. We are confident to have full support of all our stakeholders as we make all out efforts for greater success in future.

Sd/-
D S Rana
Chairman & Managing Director
DIN: 07022825

Place: New Delhi
Date: 28th December 2021

Engineering Projects (India) Limited
CIN: U27109DL1970GOI117585
Registered Office: Core 3, SCOPE Complex, 7 Lodhi Road, New Delhi –110003
Phone no. 91-11-24361666, Email: csd@engineeringprojects.com
Website: www.engineeringprojects.com

NOTICE

Notice is hereby given that the **51st Annual General Meeting** of the members of Engineering Projects (India) Limited (EPI) will be held on **Tuesday, 28th December 2021 at 03:30 PM** through Video Conferencing/ Other Audio Visual Means to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements (including Consolidated and Standalone) of the Company for the year ended 31st March 2021 together with Reports of the Board of Directors, Auditors thereon and Comments of the Comptroller & Auditor General of India (C&AG), and management replies, if any, and to pass the following Ordinary Resolution, with or without modification (s):

   "**RESOLVED THAT** Financial Statements (including Consolidated and Standalone) for the year ended 31st March 2021 comprising Balance Sheet as at 31st March 2021, the Statement of Profit and Loss Account for the year ended 31st March 2021 along with Notes and Annexures and the Auditors' Report thereon, Comments of the Comptroller & Auditor General of India (C&AG) and the Directors' Report along with its annexures including Management Discussion and Analysis Report, Report on Corporate Governance, Corporate Social Responsibility and Sustainability Report, Secretarial Audit Report, Form AOC-1 & 2 for disclosure of particulars about subsidiaries/ Associates and contracts/arrangements entered into by the company with related parties as laid down before the meeting, be and are hereby adopted."

2. To declare dividend on equity shares for the financial year 2020-21.

   Board of Directors in its Meeting held on 22nd November 2021 had proposed NIL Dividend for the Financial Year 2020-21 in view of inadequacy of Profits/ Funds.

Special Business

3. To ratify the remuneration of the Cost Auditor for the financial year 2021-22 as approved by the Board of Directors vide Circular Resolution on 23rd September 2021 (as recommended by Audit Committee) and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary resolution:

   "RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 read with rule 14 of Companies (Audit and Auditors) Rules 2014, fee of Rs. 59,940/- (Rupees Fifty Nine Thousand Nine Hundred Forty only) plus applicable tax, TA/DA and out of pocket expenses to be paid as per actuals, as recommended by Audit committee and approved by the Board of Directors to be paid to M/s. A.G. Agarwal & Associates as Cost Auditor for the financial year 2021-22 be and is hereby ratified and confirmed."

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-
(Nitesh Kumar Goyal)
Company Secretary
E-mail id: *csd@engineeringprojects.com*

Date: 03rd December 2021
Place: New Delhi

NOTES:

1. In view of COVID-19 pandemic situation, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated 13.01.2021 read together with circulars dated 08.04.2020, 13.04.2020 and 05.05.2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM"/"Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue. In accordance with the provisions of the Companies Act, 2013 ('the Act') and MCA Circulars the AGM of the Company is being held through VC/OAVM. This AGM shall be deemed to be held at the Registered Office of the Company.

2. As per the provisions of the Act, a member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy in writing duly signed by him to attend and vote instead of himself/ herself, and the proxy need not be a member. Since this AGM is being held through VC/ OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route map are not annexed with this Notice.

3. Corporate members are requested to send a duly certified scanned copy of the Board Resolution authorizing the representative to attend the AGM through VC/OAVM and vote on their behalf at the meeting. The said resolution/authorisation be sent by email through its registered email address to csd@engineeringprojects.com with a copy marked to nitesh.goyal@engineeringprojects.com

4. The relevant explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 & Secretarial Standard 2 on General Meetings, in respect of Special Businesses, as set out above is annexed hereto.

5. Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

6. None of the Directors of the Company is in any way related with each other.

7. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the e-AGM.

8. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days during business hours (barring Saturday and Sunday) up to the date of AGM. However in view of ongoing pandemic situation of COVID-19, Members seeking to inspect such documents are requested to send prior intimation at the above mentioned Email Id and will be provided same through the Electronic Media.

9. Pursuant to Section 139 of the Companies Act, 2013, the Auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India (C&AG) and in pursuant to Section 142 of the Companies Act, 2013, their remuneration is to be fixed by the Company in the Annual General Meeting or in such manner as the Company in general meeting may determine. The shareholders of EPI vide resolution passed at the 44th Annual General Meeting (AGM) dated 29th September 2014 authorised the Board to fix the remuneration of Statutory Auditors

and Branch Auditors from the financial year 2013-14 onwards. Accordingly Board of Directors vide Circular Resolution No. CIRC 2/2021-22 dated 18.06.2021 had fixed fees of Rs. 10.85 Lakhs (plus applicable taxes, TA/DA, out of pocket expenses as per actuals) towards Statutory Audit of Corporate Office and Branch Offices (excluding foreign branches) for the financial year 2020-21.

Explanatory Statement pursuant to Section 102(1) of the Companies Act 2013 in respect of Item no 3 as set out above forming part of the Notice:

Item No. 3: Ratification of remuneration of Cost Auditor

Based on the recommendation of the Audit Committee, the Board had appointed M/s A. G. Agarwal & Associates as Cost Auditor to conduct audit of cost records of the Company for the financial year 2021-22 at a remuneration amounting Rs. 59,940/- (Rupees Fifty Nine Thousand Nine Hundred Forty only plus applicable tax, TA/DA and out of pocket expenses to be paid as per actuals. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, the Resolution at Item No.3 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the resolution set out at Item No 3.

To:

1. All Shareholders of EPI
2. Statutory Auditor, EPI
3. Secretarial Auditor, EPI
4. All Directors of EPI

Copy to:

1. Secretary to the Govt. of India,
   Ministry of Heavy Industries
   Udyog Bhawan, New Delhi-110001

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-
(Nitesh Kumar Goyal)
Company Secretary
E-mail id: ***csd@engineeringprojects.com***

Date: 03rd December 2021
Place: New Delhi

NOMINATION FORM

To
The Company Secretary
Engineering Projects (India) Limited
CIN: U27109DL1970GOI117585
Core-3, SCOPE Complex,
7 Lodhi Road, New Delhi – 110003

Dear Sir/Madam,

I hereby nominate Mr./Ms.____

(Name)

____

(Designation)

as my nominee to represent me at the 51st Annual General Meeting (and any other adjourned meeting thereof) of the Shareholders of EPI to be held on 28th December 2021 (Tuesday) at 03:30 PM.

Thanking you,

Yours' faithfully,

Signature
Designation
Stamp and Seal

Place:
Date:

DIRECTORS' REPORT

Dear Members'

Your Directors have the pleasure in presenting the 51st Annual Report on the performance of the Company during the financial year 2020-21.

1. FINANCIAL HIGHLIGHTS

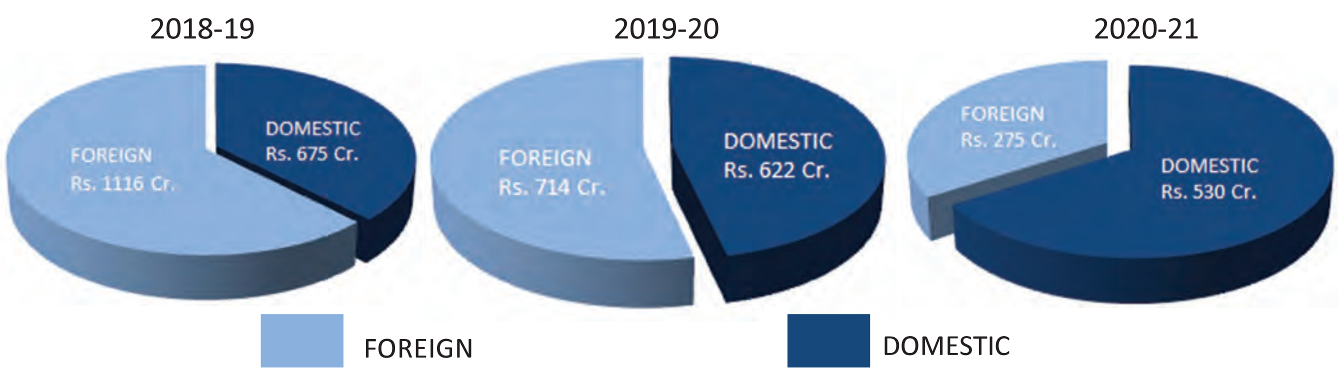
During the year 2020-21, the Company achieved an operating turnover of Rs. 80562 Lakhs as against turnover of Rs. 133659 Lakhs achieved during the previous year. Profit Before Tax (PBT) earned during this period stood at (4369) Lakhs in comparison to Rs. 794 Lakhs earned during the year 2019-20.

The financial highlights of your Company (Standalone) during the year 2020-21 along with the corresponding previous year figures are as under-

(Rs. in Lakhs)

Sl. No.	Description	2020-21	2019-20
1.	Operating Turnover	80,562	1,33,659
2.	Other Income	512	673
3.	Total Income	81,074	1,34,332
4.	Gross Margin	(3237)	1756
5.	Interest Paid	1,032	852
6.	Depreciation	99	109
7.	Profit Before Tax	(4,369)	794
8.	Taxes	606	702
9.	Profit After Tax	(4,974)	92
10.	Net Worth	14,854	19,856

Turnover - Domestic & Foreign



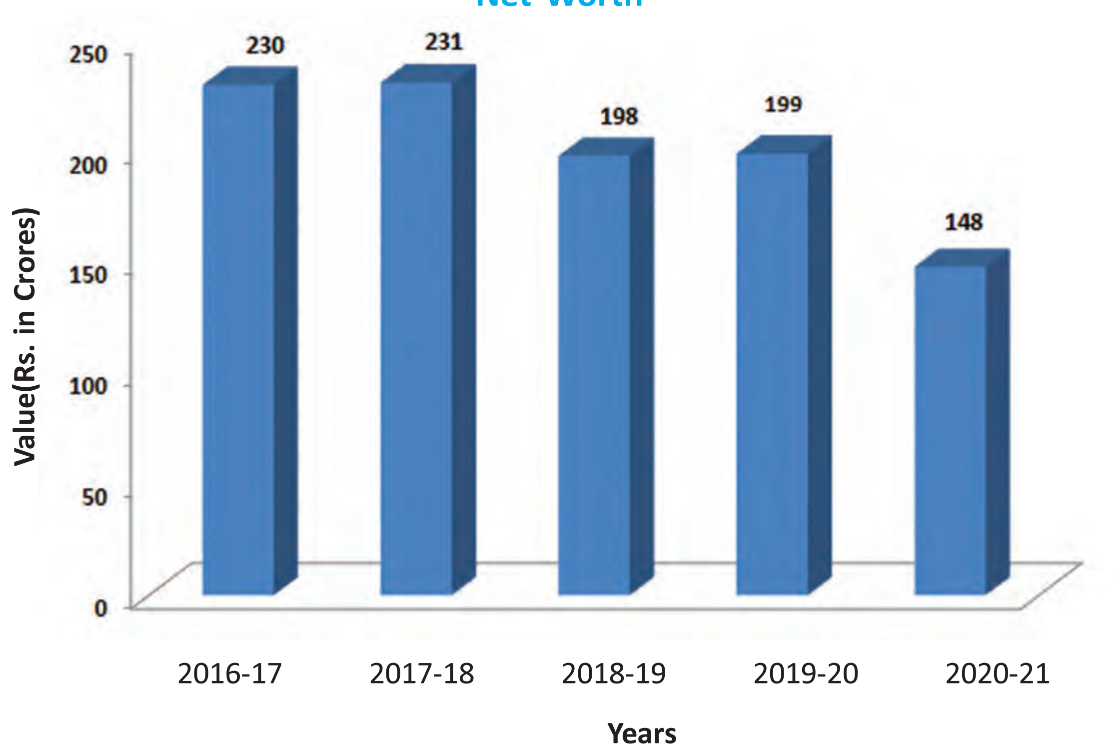
The Net Worth of the Company decreased from Rs. 19,856 Lakhs to Rs. 14,854 Lakhs which is a decrease of 25% over the previous year. The return on capital employed in 2020-21 is (22.46%) as against 8.29% in 2019-20.

The decision of Cabinet Committee on Economic Affairs ("CCEA") dated 17th February 2016, in respect of Strategic Disinvestment process through merger with similarly placed CPSE, got further modified by CCEA in its Meeting held on 13th February 2019 to allow all eligible CPSEs and Private Sector entities to participate in bidding process of disinvestment. Further the Monetisation of assets as per the Asset monetization policy of DIPAM and other Government Directives is in progress.

2. CAPITAL STRUCTURE

The authorised and paid-up share capital of the Company is Rs. 909.40 Crores (divided into 909,404,600 equity shares of Rs. 10/- each) and Rs. 35.42 Crores (divided into 35,422,688 equity shares of Rs. 10/- each) respectively.

Net Worth



3. DIVIDEND & RESERVES

Your Directors have not recommended any Dividend (Final/ Interim) for the financial Year 2020-21 due to the inadequacy of profits and cash.

Accordingly, the balance amount in the Reserves & Surplus account as on 31st March 2021 stands at Rs. 11,312 Lakhs.

4. MARKETING ACHIEVEMENTS

During the financial year 2020-21, Company has secured projects worth Rs.4155.14 Crores. Major projects secured are given below:

Sl. No.	Name & Place of the Project	Client	Value (Rs. Cr.)
1.	Execution of various projects funded under RKVY RAFTER in Coastal Districts of Karnataka.	The Director, Department of Fisheries, Bangalore.	1100.00
2.	Project Management Consultancy (PMC) for Construction of ROB Under Package-11 for Construction of 08 Nos. Rail Over Bridge (ROBs) in Kota-Mathura Section of Indian Railways (Western Central Railway, Jabalpur).	Ministry of Railway (Railway Board) Govt. of India, New Delhi	350.72
3.	PMC for Construction of Medical College Campus for 100 MBBS Admission Annually (500 Bedded) at Rudrapur (U.K).	Directorate of Medical Education, Uttrakhand	336.89
4.	Execution of Package ROB-3 for Construction of 07 Nos. Rail Over Bridges (ROBs) Works in lieu of Existing Level Crossing on GQCD Routes over ECOCR, Indian Railway. (on PMC basis)	Ministry of Railway (Railway Board) Govt. of India, New Delhi	303.36
5.	Construction of 14 Nos. Ekalabya Model Residential School (EMRS) at Various Locations in Maharashtra State. (On PMC Basis)	National Education Society for Tribal Students (EMRS Division), Ministry of Tribal Affairs, Govt. of India, New Delhi.	280.00
6.	**A.** Ex-Works (India) Supply for Flue Gas Desulphurization (FGD) System Package for Ramagundam Super Thermal Power Station, Stage III (1x500 MW) as per Common Bidding Document No. CS-0011-109 (5)-9 **B.** Inland Transportation, Inland Insurance, Installation, Civil & Architectural Works, Structural Steel Works, Testing & Commissioning for Flue Gas Desulphurisaton (FGD) System Package for Ramagundam Super Thermal Power Station, Stage III (1x500 MW) as per Common Bidding Document No. CS-0011-109 (5)-9.	NTPC Limited, New Delhi.	277.38
7.	Execution of Package ROB-5 for Construction of 07 Nos. Rail Over Bridges (ROBs) Works in lieu of Existing Level Crossing on GQCD Routes over SR & Rail Flyovers for Indian Railway. (On PMC basis)	Ministry of Railway (Railway Board) Govt. of India, New Delhi	275.02

Sl. No.	Name & Place of the Project	Client	Value (Rs. Cr.)
8.	Construction of 13 Nos. Ekalabya Model Residential School (EMRS) at Various Locations in Gujarat State. (PMC)	National Education Society for Tribal Students (EMRS Division), Ministry of Tribal Affairs, Govt. of India, New Delhi	260.00
9.	Construction of 09 Nos. Ekalabya Model Residential School (EMRS) at various locations in Andhra Pradesh State (PMC)	National Education Society for Tribal Students, (EMRS Division) Ministry of Tribal Affairs, Govt. of India, Shastri Bhawan, New Delhi	180.00
10.	Procurement, Supply, Construction, Erection and Commissioning on EPC lump sum (LSTK) Basis for Rare Earth Permanent Magnet (REPM) plant at Vishakhapatnam.	IREL (India) Limited, (A Govt. of India Undertaking), Mumbai	164.96
11.	Execution of Package ROB-14 for Construction of 4 ROBs in Durg- Nagpur section of SECR, Indian Railway. (on PMC basis)	Ministry of Railway (Railway Board) Govt. of India, New Delhi	143.23
12.	Construction of New Technology Centre for MSME (GOI) at Vallam Vadagal, Sriperumbudur, Tamil Nadu.	Ministry of Micro, Small & Medium Enterprises, Govt. of India, New Delhi.	109.68
13.	Execution of Upgrading Uruvachal- Manakkai- Valayal- Kezhallur- Therur- Cholokkari- Nerammal- Maruthayi Road for a length of 18.46 km in Kannur District.	Kerala State Transport Project (KSTP) Thiruvananthapuram.	100.43

Major Projects under implementation in India & Abroad

- Engineer-3 Project (Phase – II), Oman at a value of USD 503.605 Million.
- Construction of two lane road on NH specifications from Paletwa to India Myanmar Border (Zorinpuri) from KM 0.00 to KM 109.2 in Chin State of Myanmar on EPC Mode at a value of Rs. 607.20 crores.
- Construction and Development of New Polytechnic Institutes / Engineering Colleges in the State of Jharkhand, Strengthening of existing Technical Institutes and other Infrastructural Development works at a value of Rs. 534.49 crores.
- Project Management & Execution Consultant for setting up of Medical College and Hospital in Sundergarh District, Odisha at a value of Rs. 417.77 crores.
- Construction of Border Out Posts for Border Security Force along the Indo-Bangladesh Border in Mizoram & Tripura at a value of Rs. 357.20 crores.
- Augmentation of Fuel & Flux Crushing Facilities (Pkg. no. 064) of Bhilai Steel Plant, Bhilai at a value of Rs. 317.84 crores.

- Construction of Border Road / Fence along Indo- Bangladesh Border, Mizoram at a value of Rs. 259.06 crores.
- Construction, Upgradation and other related works from Concept to Completion for the Sundargarh District in the State of Odisha. - Road & Bridges Works (On PMC Basis) at a value of Rs. 250 crores.
- Construction of Flood Lighting along Indo-Bangladesh Border in the state of Mizoram at a value of Rs.181.16 crores.
- Rehabilitation and Up-Gradation of Road (Total Length 16.290 Km) of Manu- Lalchara Section on NH 44A in the State of Tripura at value of Rs. 166.94 crores.
- Construction of entire campus of National Institute of Pharmaceutical Education & Research (NIPER) at Guwahati at a value of Rs. 161.69 crores.
- Construction of modernized and technologically advanced work centers and other buildings for offices and state-of-the-art Research & Development Centre at Kanpur, at value of Rs.118.37 crores.
- Construction of District Head Quarters Hospital with 100 bedded Mother Child Hospital at Kendrapara at a value of Rs.110.16 crores.
- Development of Command Control Centre, Auditorium Convention Hall & Tribal Museum through turnkey (Architectural Planning with Design & Execution) basis at ABD area in Rourkela at a value of Rs. 104.25 crores.
- Improvement, Widening & Strengthening of 73 nos. of Roads at Kutra and Rajgangpur Block in sundergarh district, Odisha at value of Rs.100 crores.
- Package – I of Civil and Architectural Works of Superstructure of Power House, Bunker and Civil and Architectural Works in other areas of main plant of units 1 & 3 at 5x800 MW Yadadri Thermal Power Project, Veerlapalem Village, Nalgonda District, Telangana State at a value of Rs.80.25 Crs.

Projects Completed in India & Abroad

The Company has completed following major projects :

- Construction of Medical College Campus for 100 MBBS admission annually and Up-gradation of The Govt. District Hospital at Barmer, Rajasthan.
- Planning, Designing & Execution for Renovation of redevelopment of CERT/ STPI Work at Shastri Park, Delhi.
- Entry Level Activities for all The Towns and Cities along The Banks of River Ganga in West Bengal under Namami Gange Programme.
- Repair, Renovation & Face Lifting of STPI Building at Borjhar, Guwahati.
- Construction of Township of Gas Based Combined Cycle Power Plant at Palatana, Khilpara, Udaipur, Tripura for OTPC.

- Augmentation of Raw Material Receipt & Handling Facilities with New OHP, Part-B (Pkg. No. 061) of Bhilai Steel Plant, Bhilai.
- Residential Quarters through EPC Mode at 29^{th} Battalion, ITBP Jabalpur (M.P.)
- Construction of Upgraded Plus Two Colleges in Gajapati and Sundergarh District, Odisha.
- Construction of Kalinga Model Residential School at R. Udayagiri PS. R. Udayagiri Distt. Gajapati, Odisha.
- Construction of Kalinga Model Residential School at Teleibani, Dist. - Deogarh, Odisha.
- Construction of Ekalabya Model Residential School at Champua, Keonjhar District, Odisha, Bhubaneswar.
- Construction Work of ST Hostel under Anwesha Scheme at Various Places in Odisha for ST & SC Development Department, Odisha
- Construction of 02 Nos. of Urban Hostel Complex at Berhampur District Ganjam, Odisha.
- Providing Technical Services, Inviting of Tenders and Entrustment of Works to Contractors and Construction Supervision of AP Markfed Works as Deposit Work on Turnkey Basis. (A.P.)
- Construction of Residential & Non Residential Buildings for 53^{rd} Battalion ITBP at Chittoor (A.P.)

5. ORDER BOOK POSITION

At the end of the financial year 2020-21, the balance work in hand of (118 nos.) projects under execution is Rs. 6801.67 Crores.

6. PERFORMANCE RATING UNDER MOU

The performance of the Company has been rated "Fair" by the Department of Public Enterprise (DPE) in terms of the MoU signed by the Company with the Government for the year 2019-20.

7. CORPORATE GOVERNANCE

EPI is committed to follow good corporate governance practices in conducting business in a legal, ethical, and transparent manner. The Company believes that good corporate governance practices in the long term leads to creation of wealth for all its stakeholders. EPI has been complying with the Corporate Governance Guidelines issued by Department of Public Enterprise (DPE) and submit Quarterly and Annual Compliance Reports to Ministry of Heavy Industries (MHI).

Management Discussion and Analysis Report and Report on Corporate Governance are annexed as **Annexure A** and **B** respectively to this Directors' Report.

8. CREDIT RATING

The Rating Committee of ICRA, has revised the long-term rating for Line of Credit (LOC) from "ICRA A" to "ICRA A-". The Outlook on the long-term rating is Stable. The Rating Committee of ICRA has reaffirmed the short-term rating for the LOC at "ICRA A2+".

9. VIGILANCE ACTIVITIES

Vigilance Division ensures at its end that all function/s of the organization should be carried out with complete transparency, accountability & integrity. This Division investigates all verifiable allegations/facts reported to it through various means and also recommends necessary action/s to prevent corrupt practice.

Periodic inspections of the projects are carried out & their reports are being sent to the management, pointing out shortcomings (if any) in the procedure/s followed in 'Award of Works', Site works and Supply etc. along with the suggestion/s for systemic improvement/s. A number of new initiatives have been taken to enhance the transparency in operations during the period and instructions have been issued from time to time to various offices to comply with CVC's directions. Whistle Blower Policy, Fraud Preventive Policy, Sevottam Complaint Public Grievance Redressal System and RTI are being implement in EPIL in the right earnest.

"Vigilance Awareness Week- 2020" was observed in EPIL from 27.10.2020 to 02.11.2020 in its various offices/sites as per the directions of CVC. On this occasion the following programmes were organized for all EPIL employees/consultants/contract employees and their families:

a) Essay Competition on "Vigilant India, Prosperous India".

b) Poster Competition on "Corruption Free India".

c) Slogan Competition on "Vigilant India, Empowered India".

During the year 2020-21, out of 27 cases (2 at the beginning of the year and 25 received during the year), 26 vigilance cases have been disposed off and 01 cases were pending at the close of the year.

10. HUMAN RESOURCE

Company focuses on development of its human resources. To keep pace with the new emerging trends in the field of project execution, it trains its manpower in the emerging fields. Employees are being sponsored for in house and outside training programs, seminars and workshops to enhance technical, communication and personal skills from time to time at various levels. Company focuses on welfare of its employees including minorities and women employees and made all efforts to retain its present manpower. Social security scheme like Post Retirement Medical Benefit, Provident Fund, Gratuity, Group Accidental Insurance and Benevolent Fund Scheme are in place in the Company.

As on 31st March, 2021, Company had a strong work force of 289 employees, which included 35 women employees. Out of 289 employees, 255 employees are technically and professionally qualified.

11. SC/ST PERSONNEL

As on 31st March 2021, No. of ST persons are 11; out of which 10 are male and 01 is female employee and No. of SC persons are 49; out of which 46 are male and 03 are female employees.

12. PHYSICALLY CHALLENGED PERSON

As on 31st March 2021, No. of physically challenged persons was 02 which constituted 0.69% of the total strength.

All Presidential Directives with regard to reservation of SC/ST/OBC/PWD issued from time to time are being followed by the Company.

13. PROPAGATION OF RAJBHASHA/HINDI

Following initiatives / steps are taken for propagation of Rajbhasha/Hindi:

A Smriti Puraskaar Yojana "Swargiye Shankar Dayal Singh" has been introduced and implemented since September 2013 in order to encourage the employees to come forward and participate in various Hindi competitions being organized in the annual function of "Hindi Divas" / "Hindi Pakhwada Samaroh" in the month of September every year. Winner receiving the maximum number of prizes shall be entitled to the Puraskaar/ Shield under the scheme.

Section 3 (3) of Official languages Act, 1963 (as amended, 1967) has been uploaded on our EPI website in April 2013 which emphasizes mandatory usage of Hindi and English language in various works of the Company.

Hindi progress Report for all the quarters is now being sent online to the Ministry of Home Affairs, (Deptt. of O.L), Rajbhasha Vibhag from April 2013 onwards as per the instructions issued by the Ministry vide their letter dated 16th April 2013.

Hindi Workshops ('Karyashalas') are conducted on a quarterly basis to generate awareness among the employees regarding importance of Rajbhasha.

EPI is a member of NARAKAS (Nagar Rajbhasha Karayanvyan Samiti) and nominations are sent on regular basis in the month of October / November every year for participation in various programmes and competitions (In Hindi) organized by NARAKAS.

Hindi Divas / "Hindi Pakhwara" is being celebrated from 01st September to 14th September every year in which various competitions for employees are being organized in Hindi like Writing competition, Poem Recitation, Chitra Abhivaykti, Dictation, Noting-Drafting, Hastakashar, Debate, Quiz etc.

Contribution of Hindi writing in any form viz. article/ Essay on behalf of EPI to various PSUs is being done on regular basis.

In the year 2016, EPIL got special appreciation for implementation of Rajbhasha by our ministry and as well as official language department of Govt. of India. The Third Sub Committee of the Hon'ble Parliamentary Committee on official language has inspected the implementation of Rajbhasha in EPI, Corporate Office during January 2021.

As per the official language policy the website of our office is ready in bilingual format. This is the major achievement of Rajbhasha implementation.

To generate interest among the employees for their contribution towards official correspondence in Hindi Language, a Cash Reward Scheme is well in place. EPI, under the aegis of Central Hindi

Training Institute, has conducted “Parangat classes” in the Corporate Office during the year in which 17 officers/ employees of EPI got the training.

14. DISCLOSURE ABOUT COMPLIANCES UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act, 2013, Act aims to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto. The provisions of the Act and the rules thereon are being strictly complied with.

The Company has constituted a Committee for redressal of sexual harassment at workplace and for ensuring time bound treatment of such complaints. However, one complaint has been received during the year and it has been disposed off within one month.

15. PUBLIC PROCUREMENT POLICY

Public Procurement Policy, 2012 rests upon core principles of competitiveness, adhering to sound procurement practices and execution of orders for supply of goods or services in accordance with a system which is fair, unbiased, transparent, competitive and cost effective.

EPI believes in promoting comprehensive growth and equitable development of Micro, Small and Medium Enterprises. Their participation is enhanced by providing tender documents free of cost, exempting them from payment of Earnest Money Deposit, adopting e-procurement to bring in transparency in tendering process.

16. POLICY ON DIRECTORS’ APPOINTMENT AND REMUNERATION

CMD is appointed in the revised schedule “B” scale of pay of Rs 1,80,000 -3,20,000 (IDA), Directors are appointed in the revised schedule “B” scale of pay of Rs. 1,60,000 -2,90,000/- of IDA pattern. Their terms and conditions are fixed by the Ministry of Heavy Industries (MHI).

17. ECONOMY IN ADMINISTRATIVE EXPENDITURE

During the year, instructions of Government on economy measures are adhered to.

18. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

Chairman-cum-Managing Director (CEO); Director (Finance) (CFO), Functional Director(s) and Company Secretary are declared as Key Managerial Personnel (KMP).

Directors/Key Managerial Personnel (KMP) appointed during the year 2020-21

Name of Director/KMP	Designation	Tenure
Shri. R. P. Singh	Director (Finance) (A/C)	w.e.f. 02.06.2020 till 15.10.2020
Shri. P M Chandraiah	Director (Finance)	w.e.f. 16.10.2020
Shri. P M Chandraiah	Chief Financial Officer (CFO)	w.e.f. 21.11.2020
Shri Nitesh Kumar Goyal	Company Secretary	w.e.f. 17.07.2020

Directors/Key Managerial Personnel (KMP) ceased/resigned during the year 2020-21

Name of Director/KMP	Designation	Tenure
Shri N. K. Sharma	Chief Financial Officer (CFO)	Upto 20.11.2020
Smt. Deepika Mehta	Company Secretary	Upto 01.06.2020

Further details of Directors/ KMP and changes therein subsequent to the close of the financial year are given in Report in Corporate Governance.

19. DIRECTOR'S RESPONSIBILITY STATEMENT

As required under section 134 of the Companies Act, 2013, your Directors hereby confirm:

i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended on 31st March, 2021 and of the profit of the Company for that period;

iii) That proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) That the annual accounts have been prepared on a going concern basis; and

v) That the directors have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

20. DECLARATION BY INDEPENDENT DIRECTOR U/S 149 OF COMPANIES ACT, 2013

During the year No Independent Director was there on the Board of the Company.

21. NO. OF MEETINGS

During the year 2020-21, Four (4) Meetings of the Board of Directors were held. Details of Board and Board Sub-Committee Meetings are given in Report on Corporate Governance annexed with this report at **Annexure B.**

22. SUBSDIARY COMPANY/ ASSOCIATES/ JOINT VENTURES

Subsidiary Company:

A subsidiary Company of EPI was incorporated on 19th May 2016 as "EPI Urban Infra Developers Limited" (EPIUIDL) with paid up capital of Rs. 10 lakhs consisting of equity participation of 51% by EPI, 39% by M/s. Bharat Urban Infra Developers Pvt. Ltd., Solapur (BUIDPL) and 10% by M/s Darashaw & Co. Pvt. Ltd. (DCPL), Mumbai for development of land parcels etc.

The summary winding up petition under Section 361 of the Companies Act 2013 in respect of the EPIUIDL is pending for approval. As a result of filing the petition, the Unaudited Financial statements for the Year 2020-21 were considered in Consolidation Accounts of EPIL.

23. CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to provisions of Section 129(3) of the Companies Act, 2013 and Accounting Standard- 21, the Company has prepared its Consolidated Financial Statements including that of Subsidiary Company i.e. EPIUIDL, which shall be placed at the ensuing Annual General Meeting (AGM) along with the Standalone Financial Statements of the Company for the year 2020-21.

A statement containing salient features of the financial statements of Subsidiaries/ Associate Companies/ Joint Ventures in Form AOC-1 is attached with the Financial Statements.

24. AUDITORS

a) Statutory and Branch Auditors

The Statutory and Branch Auditors of the Company appointed by Comptroller and Auditor General of India (C&AG) for the year 2020-21 are as under-

S. No.	Name of the Firm	Region
1.	M/s. GSK & Associates LLP, New Delhi	Statutory Auditors- Corporate Office & Consolidation
Branch Auditors :		
1.	M/s. Goel Garg & Co., Delhi	Northern Region Branch Auditors
2.	M/s. Jain Saraogi & Co., Kolkata	Eastern Region & North Eastern Region Auditors
3.	M/s. Jain & Jain LLP, Mumbai	Western Region Branch Auditors
4.	M/s. Ramanujam & Boovarahan, Chennai	Southern Region Branch Auditors
5.	M/s H. C. Shah, Oman	Oman Branch Auditors
6.	M/s Ranaweera Associates, Sri Lanka	Sri Lanka Branch Auditors
7.	M/s Daw Me Me Soe, Myanmar	Myanmar Branch Auditors

b) Secretarial Auditor

The Company has appointed M/s. MNK and Associates LLP as Secretarial Auditor for the Year 2020-21 in compliance to the provisions of section 204 of the Companies Act, 2013 read with Rule 9(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Secretarial Standards issued by ICSI:

During the year, Company has complied with applicable Secretarial Standards to the extent it is possible.

c) Cost Auditor

In accordance with Ministry of Corporate Affairs, notification dated 31.07.2018, Cost accounts and records specified under section 148(1) of Companies Act, 2013, are made and maintained.

The Company has appointed M/s. A.G Agarwal & Associates as Cost Auditor for the financial year 2020-21 in compliance with the provisions of Section 148 of the Companies Act, 2013.

During the year, Cost accounts and records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 have been properly maintained and complied with.

25. EXPLANATION OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY STATUTORY AUDITOR AND SECRETARIAL AUDITOR

STATUTORY AUDIT REPORT

The Statutory Audit Report for the year 2020-21 and reply to comments on accounts, if any, is annexed to this report.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report for the year 2020-21 and reply to comments, if any, is annexed to this report.

26. PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year 2020-21, no loan, guarantee or investment under section 186 of the Companies Act, 2013 have been made.

27. DISCLOSURE OF PARTICULARS

In accordance with the provisions of section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, the information on conservation of energy, technology absorption and foreign exchange earnings and outgo is detailed as under:

27.01 Energy Efficiency and its Conservation –

In its offices and in various projects that have been entrusted to it for execution, EPI has always attached great importance to the use of energy-efficient devices in order to harm the ecology and the environment as little as possible. To save energy, EPI implements BMS in the HVAC system, LED light for lighting, sensor based lighting, automatic on/off for outdoor lighting through timer, DG set synchronization, solar street lights, use of the solar system as an alternative energy source, automation in industrial projects for more efficiency and lower consumption. EPI installed a grid-connected solar system on the roof of its corporate headquarters.

We save energy in distribution lines to reduce losses from PMC / EPC contracts according to the following practices:

a) ***Balancing of phase load**:* Due to the uneven load of each phase sequence, the components will cause the transformer, cable, circuit, and motor to overheat resulting to increase in losses and motor failure under asymmetric voltage conditions.

b) ***Energy Conservation by using power factor controller**:* A low power factor will cause an increase in current, which leads to an increase in losses and a decrease in voltage. We use Power Factor Controller or Automatic Power Factor Controller Devices.

c) ***Automation by PLC:*** We implement raw material processing industrial projects through PLC fully automatic technology.

d) ***Use of Soft Starter:*** Soft starters help to limit starting current and ensure smooth start and stop of conveyor belts and HT equipments.

e) ***Building Management System*** for various Airport and Data Centre Projects.

f) ***Limiting Voltage Drop*** at receiving end of equipments to avoid losses.

27.02 Technology Absorption

a) ***Research and Development***

Given the nature of the company's job, there is limited space for R&D operations because EPI executes jobs based on client requirements. However, EPI has actively provided cutting-edge technology such as Prefab Technology, Glass Fiber Reinforced Gypsum (GFRG) System, Light Gauge Sheet Framed Structure (LGSF System), neutral technology in addition to conventional RCC Framed Structure i.e. precast, modular monolithic concreting using Aluma formwork system, and so on for faster and more cost-effective construction.

EPI has designed in-house for setting-up a Data Centre of Cert-In consisting of 40 Racks.

b) ***Technology Absorption***

The company is constantly striving to improve construction technology and engineering. In Smart Cities Mission (SCM) projects i.e. affordable housing, integrated multimodal transport, creation and maintenance of open spaces, waste and traffic management, modernization of train stations and airports are being implemented.

EPI has developed a border surveillance infrastructure and system for international projects that uses a combination of physical and electronically controlled barriers, real-time screen surveillance with an intelligence system that uses sensors, fiber optic cables and HRC cameras that monitor the international border for infiltration/trafficking.

c) ***Information Technology and Enterprise Resource Planning (ERP)***

EPI has taken advantage of IT leveraging and implemented Software applications for various functions such as Salary, Accounting, Biometric Attendance System, Online Recruitment System and E-Procurement system. Recently Cloud based Bill Tracking System (BTS) has also been implemented successfully. It has increased efficiency and improved transparency.

The ERP-SAP for modules HR & Payroll, Financial Management and Document Management have been running successfully. Implementation of other modules (Project Systems, Material Management and Sales & Distribution) have also been completed.

MPLS & Video conferencing (VC) solution has also been provided to ERO, NERO, WRO and SRO, MPLS (WAN) and Internet Connectivity are provided at Data Centre, CO & ROs. VC has helped in reducing administrative expenses such as TA, DA, hotel etc. Applications like

E-Tendering, E-Payment and BTS has resulted in controlling spread of Covid-19 and helped in business continuity by mitigating risk. EPI has taken proactive effort to combat the impacts of Covid-19 by allowing work from home after connecting their laptop with EPI Server.

27.03 Foreign exchange earnings and outgo

During the year 2020-21, the Company earned a foreign exchange of Rs. 27,565 Lakhs against Rs. 71,563 Lakhs in the Financial year 2019-20. The expenditure incurred in Foreign Exchange is Rs.27,250 Lakhs in 2020-21 against Rs. 65,609 Lakhs in 2019-20.

28. QUALITY, HEALTH AND SAFETY MANAGEMENT

EPI have been awarded certificates for its Quality Management System, Environment Management System and Occupational Health and Safety Management System i.e. ISO 9001:2015, ISO 14001:2015 for all its areas of operations and OHSAS 18001:2007 for Corporate Office EPI is one of the first few companies to have been awarded ISO/IEC 27001:2013 for Information Security Management System.

29. STATUTORY INFORMATION REGARDING EMPLOYEES AS REQUIRED UNDER COMPANIES ACT 2013

Section 197 of the Companies Act, 2013 and rules made thereunder shall not apply to Government Companies in terms of Ministry of Corporate affairs notification dated 05th June 2015.

30. CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY

A report on Corporate Social Responsibility and Sustainability is attached as **Annexure C** to this Directors' Report.

31. INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal controls over financial reporting for ensuring orderly and efficient conduct of its business, including adherence to the company's policies, safeguarding of its assets, prevention of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information.

32. CEO/CFO CERTIFICATION

CEO/CFO Certification is attached with Report on Corporate Governance.

33. DEPOSITS

During the year 2020-21, company has not invited any Deposits covered under or which are not in compliance with the requirements of Companies Act, 2013.

34. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into any contracts or arrangements with related parties referred to in section 188 of the Companies Act, 2013. The particulars in Form AOC-2 as required under section 134(3) of the Companies Act, 2013 and Rule 8 of Companies(Accounts) Rules, 2014 is attached at **Annexure D.**

35. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

Other than those declared in Contingent liability in notes to accounts, no significant or material orders have been passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

36. ANNUAL RETURN

Pursuant to Section 92 (3) read with Section 134 (3) of the Companies Act, 2013 , a copy of the Annual Return of the Company is available on the website of the Company and can be accessed at www.engineeringprojects.com.

37. ACKNOWLEDGEMENT

Your Directors acknowledge with deep sense of appreciation the cooperation and support received from Ministry of Heavy Industries and other Ministries and Organisations of the Government of India and State Governments. Your Directors express their gratitude to various Clients and Banks for the confidence reposed by them and appreciate the contribution of the sub–contractors, vendors and consultants in implementation of the projects. Your Directors are also thankful to the Government Auditors, Statutory Auditors, Secretarial Auditors, and Cost Auditors for their suggestions. Board also would like to convey their appreciation to all employees for valuable services and co-operation extended by them and are confident that they will continue to contribute their best towards achieving better performance in future.

For and on behalf of the Board

Sd/-
(D.S. Rana)
Chairman & Managing Director
DIN: 07022825

Date: 22nd November 2021
Place: New Delhi

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Vision

To be the leading turnkey project execution company, committed to quality and timely completion of projects, continuously enhancing stakeholders value and to emerge as a globally competitive total solutions consultancy company.

Mission

EPIL is a leader in providing value-added construction services to its customers by creating a successful partnership with them throughout the construction process. Our pledge is to establish lasting relationships with our Clients/Customers by exceeding their expectations and gaining their trust through exceptional performance by every member of the project team.

Objectives

- To delight the customers with an unrelenting focus on comprehensive quality in our services
- Focus and maintain business in its most profitable segments while expanding into new business segments.
- Deliver exceptional client service with an unrelenting focus on value creation.
- Pursue operational excellence with a strong focus on quality and margins.
- To continuously upgrade and adopt all technological advancements to meet the growing needs of customers.
- To enhance competitive spirit of the organization through principles of continuous learning and empower to perform.
- To stride on the path of growth by adding every possible value to our service in pursuit of long term relations with all our clients.

Strategy

Going forward, the strategy of EPIL will be to diversify into new areas, capture untapped geographies, and leverage in-house capabilities to build upon and scale up the ongoing business themes and offer the targeted Clients competitive project solutions, at par with the best in Industry, in terms of Quality, Cost and Time.

Industry Structure and Development

Infrastructure is a key driver of the overall development of a country and more so in a developing economy like India.

Lack of adequate infrastructure not only holds back economic development, it also causes additional costs in terms of time, effort and money of the people for accessing essential social services such as healthcare and education. Thus, good quality infrastructure is important not only for faster economic growth but also to ensure inclusive growth. By building up general infrastructure facilities helps the small enterprises to compete successfully with large-scale industries and being labor-intensive generate large employment opportunities for the workers. The infrastructure industry focuses on initiating policies that would ensure time-bound creation of world class infrastructure in the country. The sector includes power, bridges, dams, roads, and urban infrastructure development. Currently, the construction industry is an important indicator of the development as it creates investment opportunities across various related sectors of India and contributes to more than 10% to the National GDP since many decades. It makes significant contribution to the national economy and provides employment to large number of people.

The country's deficient infrastructure is also pulling down the "ease of doing business", trade and export competitiveness and poverty alleviation. It directly impacts efficiency of all the sectors of economy viz. agriculture, manufacturing and services. Logistics cost in India are 13-15 percent of the product cost, while the global average is six percent. Therefore the Government has embarked upon many initiatives to boost the infrastructure in India.

The Union Budget 2021-22 has indeed come up with various announcements for investing the capital to the tune of Rs. 5.54 lakh crores (which is 34.5% more than the BE of 2020-21) in major sectors viz. Health sector, Infrastructure & logistics, Oil & Gas, Aerospace, Defence, Industrial products, Technology, Media & Telecom, Power and Mining etc. The budget has emphasized its key capital expansion towards Infrastructure sector by monetizing the assets through National Infrastructure Pipeline (NIP) that will help domestic capital goods industry to grow rapidly across roads, warehouses, airports, transmissions, railways and stadium etc. The budget 2021-22 with a thrust on the infrastructure improvement strategies and its expectations to cover around 7,400 projects (from 6,835 projects in Dec'19) by 2025 has given EPI a bigger platform to spread its wings even further in the infrastructure sector.

Further, the various schemes of the Union Government viz. the "Smart Cities Mission" and Atal Mission for Rejuvenation and Urban Transformation (AMRUT) provide basic services (e.g. water supply, sewerage, urban transport). Swachh Bharat Mission, Solid Waste Management initiatives, Green Energy initiatives, Anti-pollution measures (desulphurization of flue gases), Railway Station Development Program, Digital India programme have been launched to create sustainable built environment.

As India aspires to become a USD 5 trillion economy by 2024-25, the country needs to spend about USD 1.4 trillion on infrastructure which is exemplified by increase in public spending on infrastructure and embarking on new modes of PPP financing. The three major themes of Union Budget 2021-22- "Aspirational India to boost standard of living, economic development and building compassionate society" has given a big pool of opportunities for growth of Indian economy through infrastructure sector.

SWOT Analysis

STRENGTH AND WEAKNESS

The areas that EPIL need to focus upon/categorized as weaknesses of EPIL can be summarized as follows:

- Limited design and engineering capability
- No manufacturing capability of its own.
- Limited use of new age technologies in operational delivery.
- Lack of structured regulatory and policy framework, or well defined operating and financing regulations.
- No experience of execution of projects in BOT/DBFOT/PPP/HAM/BOOT modes.
- Low Investment Capability

- Operate in highly competitive market
- IT skills across the organization need enhancement.

However, EPIL is not just an organization, rather it's a symbol of fine tradition of over 50 years of engineering excellence in built environment and infrastructural development. It possesses certain inherent strengths like:

- Pan-India presence
- High employee productivity
- Trained Manpower expertise with proven competency in construction and project management.
- Capability for taking up multi-disciplinary Projects
- Offering wide range of services in all areas of construction related planning and engineering.
- EPI has the rare distinction of having worked for almost all Power utilities and Steel Plants in the Public Sector as well as in the Private Sector.
- EPI has been Pioneer in Project Exports and opened up avenues for other Indian contracting companies.
- EPI has executed several complex projects in Eastern Europe, Middle East, South Asia and India utilizing the state-of-the-art technology as per international standards.
- EPI is one of the first few companies to have been awarded certificates for its Quality Management System, Environment Management System and Occupational Health and Safety Management System i.e. ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO/IEC 27001:2013.

Due to its vast experience and the quality of services rendered by EPIL, a number of Central Government Ministries and various State Governments are utilizing the services of EPI as their extended engineering arm.

EPI is designated as the implementing agency for executing projects under Namami Gange, Smart Cities, Pradhan Mantri Gram Sadak Yojna (PMGSY), Atal Mission for Rejuvenation and Urban Transformation (AMRUT) scheme, Solid Waste Management (SWM). Also, EPI has identified various thrust areas for diversification through the following projects:

a) Land Management Agency
b) Railway projects including permanent way
c) Waste Management System (Waste to Energy)
d) Process & Technological projects including Data Center development, security & surveillance projects
e) Smart City Projects
f) Flue Gas Desulphurization
g) Warehouse & SILOS
h) Water de-salination projects
i) Port Development
j) Tunneling
k) Ropeways
l) Multilevel parking

EPIL has been designated as Land Management Agency (LMA) by the Govt. of India to assist in disposal of land/ immovable assets of the sick/ loss making CPSEs to ensure their time bound closure as per decision taken by Government.

Further, the engineers of EPIL are attuned to the scheme of working as per International Standards as EPIL has executed many projects in overseas countries viz. Kuwait, Iraq, Saudi Arabia, Maldives, Thailand, Yugoslavia, Bhutan, UAE. It is undertaking developmental work in Border infrastructure in the Gulf region and expanding footprints in Sri Lanka.

OPPORTUNITIES AND THREATS

EPIL faces following challenges and threats:

- Infrastructure market crowded with multiple players with deeper pockets.
- Move towards BOT projects not in line with conventional ways of EPI's working.
- Presence of established EPC players in Power, Ports, Telecom etc.
- Low entry barriers exist for EPC players in Irrigation and Water Supply and Sanitation sectors.
- New model qualifying bid document for PPP projects allows only the top 5 or 6 qualified applicants to be invited for participation.

However these challenges present new opportunities for the organization. The construction industry is the second largest industry in India after agriculture. It accounts for about 11% of India as GDP. There is robust demand in this sector. As India aspires to become a USD 5 trillion economy by 2024-25, the country needs to spend about USD 1.4 trillion on infrastructure which is exemplified by increase in public spending on infrastructure and embarking on new modes of PPP financing. The Hon'ble Prime Minister under the 'Atmanirbhar Bharat' has laid great emphasis on a self-reliant India wherein the two out of the five pillars highlighted by him pertain to modern infrastructure and new technology driven methods.

EPIL can certainly be a key player in implementing the ' Atmanirbhar Bharat ' vision imbibing necessary changes and innovations in fulfilling the infrastructure needs of the country. As a prime Consultancy & Contracting Company, EPI has proved its expertise and experience in virtually every needy sector. The company undertakes all its projects with a committed passion for excellence and full customer satisfaction. EPI, since its inception in 1970, has executed projects of diverse nature such as Hospital Cum Medical College Buildings, Institutional Complexes, Universities, Commercial Buildings, Housing Complexes, Bridges, Water Supply Systems, Canals, Infrastructure Development Works, Power Plants, Process Plants, Industrial Plants, Material Handling Systems and Sports Stadia etc.

EPIL already has a good credential in Medical infrastructure through construction of medical colleges and hospitals. EPIL has recently completed construction of medical hospital for Sundargarh (Orissa), and undergoing with the construction of medical college at Kendrapada, Orissa and at Rudrapur, Uttrakhand.

Further, EPIL shall envisage new ideas in planning and design of residential and institutional needs in view of the health concerns in future buildings by revamping it's in- house and outsourced capacities to help the client organizations to have useful developments for them.

With emphasis on technology, digitization and emphasis on work from home IT and IT enabled services will get a boost. EPIL has already forayed into establishing Data centers where computing and networking equipment is concentrated for the purpose of collecting, storing, processing, distributing or allowing access to large amounts of data. SMART city projects is seen as another opportunity by EPIL.

EPIL has already positioned itself as a competent player in Surveillance. It has successfully implemented projects pertaining to electronic based security and surveillance to secure critical infrastructure and international borders. It has established its credentials in installing integrated perimeter solutions and CCTV.

With ever increasing focus on green economy and to accomplish the sustainable development goals, green technologies like the Flue Gas Desulphurization (FGD) system will be in demand. With total installed thermal power capacity of over 2Lakh Megawatt the estimated market potential of FGD system is around INR 1 Lakh Crores. EPIL has already positioned itself in various tendering rounds as a serious contender in this field.

SEGMENT WISE AND PRODUCT WISE PERFORMANCE

Industrial, Process Plant, Material Handling, Electrical and Border Management Projects segment remained the highest contributor with 45.14% of share to the turnover of the Company during financial year 2020-21, followed by Housing & Building works including Hospital Projects segment whose percentage share has increased as compared to last year from 36.05% to 40.83%. Also, there is increase in the percentage share of Transportation Structures Projects Segment as compared to last year from 0.37% to 10.65%.

The table below presents the segment wise analysis of the operations of the company.

(Rs. in Crores)

Sl. No.	Segments of Projects	2018-19		2019-20		2020-21	
		Turnover	%	Turnover	%	Turnover	%
1	Housing & Building Works including Hospital Projects	548.37	30.64	481.78	36.05	328.93	40.83
2	Dams & Irrigation Projects	17.72	0.99	24.93	1.87	5.78	0.72
3	Industrial, Process Plant, Material Handling, Electrical and Border Management Projects	1203.43	67.24	786.12	58.82	363.64	45.14
4	Water Supply & Environmental Schemes	17.85	1.00	25.11	1.88	12.34	1.53
5	Transportation Structures	2.30	0.13	4.87	0.37	85.81	10.65
6	Other Projects	-	-	13.78	1.03	9.12	1.13
	Total	**1789.67**	**100.00**	**1336.59**	**100.00**	**805.62**	**100.00**

OUTLOOK

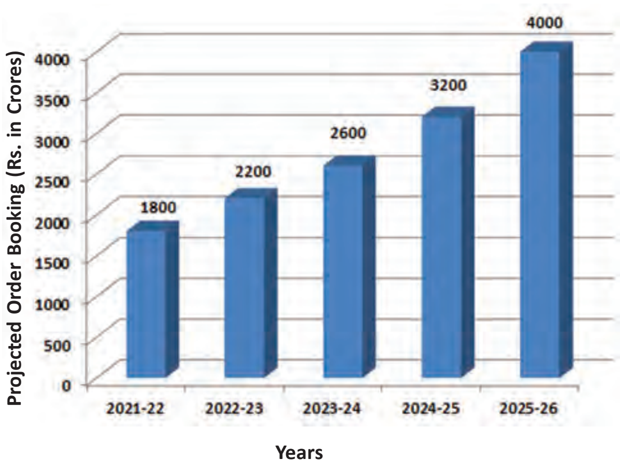
The goal for the company is to become a profitable dividend paying company with a MoU Rating– 'Excellent'.

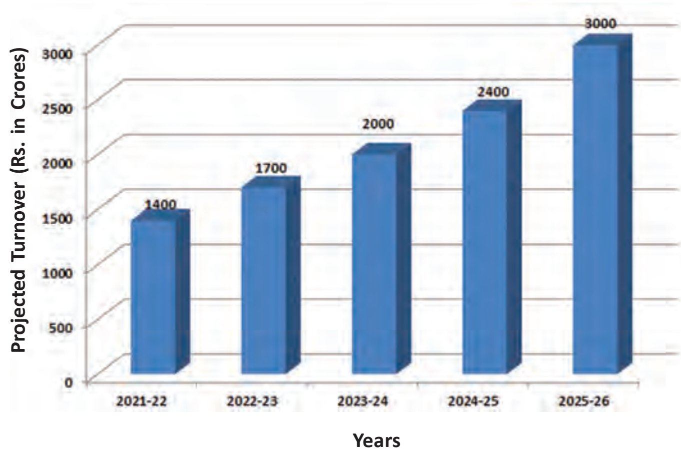
To realize the aforesaid goal and the vision, EPIL will focus on Increasing turnover and profitability, and reduction in its operating expenses. However for EPIL, low profit margin due to cut throat competition in civil construction projects is quite challenging. Hence EPI is looking at entering into high technology area with higher profit margin. Wherever EPIL is facing difficulty in securing higher value projects in new areas due to lack of credentials/PQ criteria, it is going for tie ups / association with reputed firms. Hence EPIL sees diversification as a way to secure the market position in the long term. With strengthening its core business EPIL is complementing its various sector-related services to emerge as a price and quality leader in the construction industry.

The strategic path for EPI revival plan over the next rolling 5 years (FY 2022-26) will be governed by following key focus areas:

- Increasing Turnover and Profitability
- Reduction in Operating Expenses
- To diversify the client base across public and private sectors
- Diversification in high technology areas with higher profit margin
- Technological Tie-ups/ Strategic Alliances
- Increasing Project Exports

5 Year Vision for Revival and Sustainable Growth





Diversification in New Business Areas

Diversification gives EPIL the flexibility to have higher margins since the market awareness may be low and the market may present high entry barriers for the competitors. EPIL is looking to explore the following new areas of operation:

LAND MANAGEMENT AGENCY: EPIL has been designated as the Land management Agency by the Government of India to assist in the disposal of land/immovable assets of the sick/loss making CPSEs to ensure their time bound closure as per the decision taken by the Government.

RAILWAY STATION REDEVELOPMENT: EPIL has also taken up the Project Management Consultancy for the development/re-development of various railway stations at Indian Railway Stations Development Corporation (IRSDC) Ltd.

WASTE TO ENERGY: EPIL intends to take up works in the field of waste to energy projects including operation & maintenance for various upcoming Municipal Solid Waste (MSW) / Reused Derived Fuel (RDF) operated waste to energy plants of various municipalities.

DATA CENTRE: EPIL has already forayed into development of centralized locations that houses computing facilities like servers, routers, switches and firewalls, as well as supporting components like backup equipment, fire suppression facilities and air-conditioning.

LAND FILL PROJECTS: landfill remediation and management projects are being considered by EPIL in India and abroad. Strategic alliance with specialized companies to undertake scientific landfill including O&M is being pursued.

WATER DESALINATION: EPIL is looking to participate in various sea water desalinization projects, thermal desalinization plant projects and industrial waste water treatment projects in India and abroad.

PMC SERVICES OF INCOMPLETED PROJECTS: EPIL has the competence to act as a project management Consultant to the stalled/incomplete ventures and ensure their completion by engaging third party construction companies.

SECURITY & SURVEILLANCE: EPIL has already taken up projects pertaining to electronic based security and surveillance to secure critical infrastructure and international borders.

SMART CITY: EPIL has the capability to participate in city improvement (retrofitting), city renewal (redevelopment) and city extension (Greenfield development), and in the application of technology, information and data like SMART metering, SMART buses, electric charging point components etc. to improve infrastructure and services.

FLUE GAS DESULPHARIZATION (FGD) SYSTEM IN THERMAL PLANTS: It entails construction of flue gas desulphurization system including erection, supervision, and pre-commissioning, commissioning, performance testing of equipment including all associated electrical, control & instrumentation, civil, structural and architectural works. EPIL has marked its presence in this field by engaging itself as a contractor for the work of Design, Engineering, Manufacturing etc. covered under FGD for Ramagundam super Thermal power station.

WAREHOUSES & SILOS: EPIL is exploring project opportunities in the field of storage silos based on prior experience of executing concrete silos in India and abroad. Today both concrete and steel silos are being commonly used in industry to modernize the storage infrastructure.

In addition to the above areas, following works has also been vested to EPIL:

- Construction of 36 nos. EKLAVYA MODEL RESIDENTIAL SCHOOL (EMRS) at Andhra Pradesh, Gujarat and Maharashtra.
- Signed MoU with Department of Tourism, Government of Karnataka for construction of ropeways on PPP mode.

- Appointment of Independent Engineer for Operations, Management and Development of Airports for Airport Authority of India (AAI) at Sardar Vallabhbhai Patel International Airport, Ahmedabad, Mangalore and Lucknow.

Thus, the thrust is on developing a business development strategy which entails:

- Aggressive and focused marketing/ business development initiatives by encompassing more wide spread clientage and taking up high value projects to reduce our establishment expenditure.
- Emphasis on Customer Relations Management (CRM)
- Technology tie ups / MoUs with OEMs / potential partners in fields mentioned above.
- Expression of Interest (EOI) with prospective clients

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has adequate system of internal controls and documented procedures covering all financial and operating functions, in place. These have been designed to provide reasonable assurance with regard to maintenance of proper accounting controls, monitoring economy and efficiency of operation, protecting assets from unauthorized use or losses and ensuring reliability of financial and operational information. These controls are regularly reviewed for its efficiency and effectiveness.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO THE OPERATIONAL PERFORMANCE

During the year 2020-21, the Company achieved operating turnover of Rs. 80562 Lakhs as against the previous year operating turnover of Rs. 133659 Lakhs and made Profit (Loss) before Tax of Rs. (4369) Lakhs as against previous year's Profit Before Tax of Rs. 794 Lakhs. The Gross Margin of the year was Rs. (3237) Lakhs as compared to Rs. 1756 Lakhs in the previous year.

The net worth of the Company has decreased by Rs. 5002 Lakhs from Rs. 19856 Lakhs in the year 2019-20 to Rs. 14854 Lakhs in the year 2020-21.

Due to in adequacy of Profits and availability of cash, no Dividend for the year 2020-21 is recommended by the Board.

MATERIAL DEVELOPMENT IN HUMAN RESOURCE, INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF THE PEOPLE EMPLOYED

Company's focus is on securing projects in India as well as in foreign countries especially in Middle East, Africa and South Asia. In order to facilitate achieving the target, Company is aiming to acquire best of the talents with specialized skills at each level for execution of the on-going projects as well as new projects. During the year 2020-21, No employee was recruited.

Also the Company makes all necessary efforts to develop technical and managerial skills of employees by conducting several in-house and external training programmes, seminars and workshops at all levels. In the financial year 2020-2021, 180 numbers of in-house training mandays was conducted and 39 numbers of external training mandays were conducted.

ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, FOREIGN EXCHANGE CONSERVATION

a) Environmental Protection & Conservation

EPI being a Project Management Consultancy & Construction Company lays special emphasis on actively pursuing FGD projects (Flue Gas Desulfurization) to decrease SO2 level in air within permissible limits in Thermal Power Plants, provision of DS & DE system for settlement of dust particles for improving the air quality in Process Industry, provision of pressurized ventilation for improvement in working condition for human life in Tunnels & Sub-stations and Provision of STP (Sewage Treatment Plant)/ WTP (Water Treatment Plant) in Township and Hospital Projects.

To reduce pollution, extensive environmentally friendly and energy-saving measures such as the mandatory use of flyash bricks and Portland pozzolana cement, tree plantation, recycling of waste water/effluent treatment system, renewable energy such as solar energy, light sensor, dimmable light, thermal insulation, and spraying of water through tanker during construction at site are implemented. The company also takes different environmental measures, such as noise control, oil and grease leakage management, water waste control, smoking control, and so on, as well as planting trees. The company used Green Rating for Integrated Habitat Assessment (GRIHA) standards in project execution, which resulted in environmental conservation as well as energy savings. At various project sites, environment friendly equipment such as solar lights that require no maintenance are also being installed.

b) Technological Conservation

As part of Technological Conservation, EPI began using the following methodology to reduce construction costs and time, as well as environmental pollution:

- Use of excavated material, such as limestone/clinkers, for sand dunes stabilization, road construction, fence foundation, and so on.
- Sewage treatment with zero discharge, including online treatment with recycling, eco sanitization for desalination, and efficient microorganism technology.
- Adoption of rapid monolithic disaster proof technology in mass housing construction and other construction projects.
- Waste water treatment to improve the quality of water so that it can be used by a specific end user, such as drinking, irrigation, or industrial purposes.

c) Foreign exchange conservation

The Company always endeavor for conservation of foreign exchange. For domestic requirements, indigenously manufactured materials and machinery is procured which restricts the outflow of foreign exchange from the Company. New technologies, engineering innovations, etc. are adopted for in-house development of design.

For optimal utilisation of technologies and installation of modern production and processing facilities in India, suitable modification /adaptation of the machinery, equipment & facilities from indigenous sources of foreign based technological design are procured. All the processes are put through rigorous testing and trials for adaptation for operating under rigors of Indian conditions. The outgo of foreign exchange has been minimized through assimilation of advanced design & technical features using Indian expertise in detailed engineering, manufacturing & assembly of facilities based on new technologies and know-how developed abroad.

Cautionary Statement

Statement in this management discussion and analysis report describing the Company's objectives, projections and expectations may be forward looking statements within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied, important developments that could affect the company's operations include a downtrend in the infrastructure sector, significant changes in economic environment in India, exchange rate fluctuations, tax, laws, litigation and labour relation.

Annexure B

REPORT ON CORPORATE GOVERNANCE

1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

"Enhancing stakeholder value" is enshrined in the Mission/Vision statement of the Company. The Company firmly believes that good corporate governance generate value on a sustained basis for all stakeholders. Corporate Governance is primarily concerned with transparency, full disclosure of material facts, independence of Board, and fair play with all the stakeholders. The philosophy of Engineering Projects (India) Limited, on Corporate Governance is as follows:

"To exercise professionalism and be effective, responsive and transparent in order to create value for all the stakeholders of the company."

2. BOARD OF DIRECTORS

(A) Composition of the Board

All the Directors on the Board of EPI are appointed by the President of India through Administrative Ministry (i.e. Ministry of Heavy Industries.

The Board of EPI comprises 3 Functional/Whole Time Directors, 2 Government Nominee Directors and 3 Independent Directors. As on 31st March 2021, three positions of Independent Director were lying vacant. Administrative Ministry is seized/capped of the above position.

(B) Details of the composition of the Board of Directors, category of the Director, attendance at the Board Meeting & Annual General Meeting (AGM) and other Directorships during the financial year 2020-21 are given below:

Name of Directors	Category	Board Meeting Attended	Attendance at the last AGM held on 28.12.2020 (Adjourned on 31.12.2020)	No. of Directorships in Other Public Companies (excluding EPI)	Tenure
(a) Whole Time / Functional Directors (including Additional Charge)					
Shri D. S. Rana DIN: 07022825	Chairman & Managing Director	4/4	Yes	NA	w.e.f. 19.09.2019
Shri H. N. Thakur DIN: 08592663	Director (Projects)	4/4	Yes	NA	w.e.f. 21.10.2019
Shri Raj Pal Singh DIN: 08750557	Director (Finance) [Addl. Charge]	1/1	NA	NA	w.e.f. 02.06.2020 till 15.10.2020

Shri P M Chandraiah DIN: 06970910	Director (Finance)	2/3	Yes	NA	w.e.f. 16.10.2020 till 30.04.2021
(b) Govt. Nominees/ Part-Time Official Directors					
Smt. Neelam S. Kumar Chief Controller of Accounts (CCA), Ministry of Heavy Industries DIN: 08220197	Director	4/4	Yes	3 (HECL, HMTMTL, B&R)*	w.e.f. 23.08.2018 till 31.10.2021
Smt. Sukriti Likhi Addl. Secretary, Ministry of Heavy Industries DIN: 01825997	Director	4/4	No	3 (TMTP, CCI, NEPA Ltd.)*	w.e.f. 16.11.2018 till 15.06.2021

***Abbreviations used:**

B&R - Bridge & Roof Company (India) Limited

HMTMTL - HMT Machine Tools Ltd.

CCI - Cement Corporation of India Limited

HECL - Heavy Engineering Corporation Ltd.

TMTP - Tumakuru Machine Tool Park

Notes:

Following changes took place in the Directorship during the year 2020-21 and thereafter till the date of this report:

1. DHI vide order No. 12-16/8/2019-TSW dated 29th May 2020 had entrusted the Additional Charge of the post of Director (Finance) to Shri Raj Pal Singh, General Manager (Finance & Accounts), BHEL for a period of Six Months w.e.f. date of assumption of charge or till regular incumbent joins, or until further orders, whichever is earliest. Shri R. P. Singh, Director (Finance) (A/C) assumed charge on 02nd June 2020. Consequent upon joining of regular incumbent to the post of Director (Finance), Shri R. P. Singh relinquish his charge on 15th October 2020.

2. DHI vide order no 12-16/11/2019-TSW dated 15th July 2020 had appointed Shri PM Chandraiah to the post of Director (Finance), EPI with effect from the date of assumption of charge of the post or till the date of his superannuation i.e. 31.01.2025 or until further orders, whichever is earlier. Shri PM Chandraiah, Director (Finance) assumed charge on 16th October 2020. However Shri P M Chandraiah ceased to be on the Board of Company on 30.04.2021 due to his sudden demise.

3. DHI vide order no. 12-16/8/19-TSW (e-20153) dated 11th June 2021 had entrusted the Additional Charge of the post of Director (Finance) to Shri D. S. Rana, Chairman & Managing Director, EPI for a period of three months with effect from 01.05.2021 upto 31.07.2021 or till regular incumbent joins or until further orders, whichever is the earliest.

4. DHI vide order no. 8-08(1)/2020-PE-VIII (E-21792) dated 15.06.2021 had nominated Smt. Nidhi Chhibber, IAS (CG:1994), Additional Secretary, Department of Heavy Industry (DHI) as the Government Nominee Director in EPI vice Smt. Sukriti Likhi, IAS (HY:1993), former Additional Secretary, DHI.

5. MHI vide Order No. 8-08(1)/2020-PE-VIII/CPSE-III (E-21792) dated 01st November 2021 had nominated Shri Rajesh Kumar, CCA, Ministry of Heavy Industries as the Government Nominee Director in EPI vice Smt. Neelam S. Kumar, former CCA, Ministry of Heavy Industries.

6. MHI vide Order No. 8-08(1)/2020-PE-VIII/CPSE-III(E-21792) dated 02nd November 2021 had appointed two Part Time Non-Official Directors (Independent Directors) viz. Shri Vinod Kumar Yadav and Smt. Akanksha Pare Kashiv on the Board of EPI for a period of three years with effect from the date of notifications of their appointment or until further orders, whichever is earlier.

(C) Board Procedure

The Board of Directors play primary role in ensuring good governance and functioning of the Company. The meetings of the Board are normally held at the Company's Registered Office in New Delhi. The Board meets at regular intervals to discuss the physical and financial progress of the Company. The Board periodically reviews the compliance status of applicable laws. The agenda notes for the meeting are prepared by the concerned officials and approved by the Functional Directors including Chairman-cum-Managing Director before being sent to all the Directors. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision making at the meetings. The decisions are taken by the Board of Directors after deliberations.

(D) Number of Board Meetings:

During the year 2020-21, Four (4) meetings of the Board of Directors were held, the details of which are given below:

Sl. No.	Date of Meeting	Board Strength	No. of Directors Present
1.	17.07.2020	5	5
2.	20.10.2020	5	5
3.	20.11.2020	5	5
4.	19.03.2021	5	4

(E) Meeting of Independent Directors

During the year 2020-21, No Independent Director were on the Board of the Company. Therefore no separate Meeting of Independent Directors was held during the year.

(F) Brief Resume of the Directors on the Board of the Company as on date of this Report:

(i) Shri Dhirendra Singh Rana, Chairman & Managing Director

Shri D.S. Rana has assumed the charge of Chairman and Managing Director of Engineering Projects (India) Limited w.e.f September 19, 2019. Prior to this, he was working as Director (Infrastructure), Dedicated Freight Corridor Corporation of India Ltd (DFCCIL) since October 27, 2014. Shri Rana is a Civil Engineer with Post Graduate qualification in Project Management and belongs to 1986 batch of Indian Railway Service of Engineers and has held many positions in the Construction, Procurement & Vigilance wings of Central Railway.

Shri Rana was with DFCCIL right from the inception stage and was one of the first officers to quit the coveted Railway service and join the Company on permanent basis.

While working as CPM/Mumbai in DFCCIL, Shri Rana undertook many policy initiatives in the spheres of RRP & Compensation Matrix for affected PAPs to ensure land acquisition in highly urbanized areas of Mumbai. He is also credited with obtaining a multitude of statutory Environmental Clearances for the project in Maharashtra, which led to timely Financial Closure of Phase-II leg of Western DFC, in partnership with JICA. A Treatise written by Shri Rana on Environmental & Social issues has been widely circulated to various Infrastructure Ministries & PSUs to serve as a hand book for the Project Managers.

(ii) Shri Hari Narayan Thakur, Director (Projects)

Shri H.N. Thakur has assumed the charge of Director (Projects) of Engineering Projects (India) Ltd. w.e.f. October 21, 2019. Prior to this, he was working as Executive Director, Incharge Northern Regional Office of Engineering Projects (India) Ltd. since October 9, 2014. Shri Thakur is a Civil Engineer having rich and varied experience spanning over 35 years in Cost Estimation, Tendering, Business Development, Contract Management and Planning and Project execution of various multi-disciplinary projects in India and Overseas. He has been associated with EPIL from the year 1989.

(iii) Shri Raj Pal Singh, Director (Finance)

Shri Raj Pal Singh has been once again entrusted the Additional Charge of the post of Director (Finance), Engineering Projects (India) Ltd. vide MHI order dated 11th October 2021 and assumed charge on 18th October 2021. Shri Singh is the Commerce Graduate and Fellow Member of Institute of Cost and Management Accountants of India, Kolkata. Shri Singh has been associated with BHEL since 1987 and presently working as General Manager (Finance & Accounts) in Project Engineering and Management Division at BHEL Noida. He is having diverse experience of handling finance function of Manufacturing Plants, Project Execution Division, Industry Business vertical and logistic support group. During his tenure he took many system improvement related initiatives. He introduced GST in complex SAP environment with in house resources, web based billing and debtors management system etc. He has also implemented three tier e-budgeting system, overhauled estimation process, Centralised fund management system to improve working capital management. He also Chaired PF Trust and secured the best managed PF Trust award from EPFO, New Delhi on all India basis among exempted PF Trusts. Shri Raj Pal Singh is also holding additional charge of Director (Finance) of Cement Corporation of India (CCI), a Govt of India Enterprise.

(iv) Smt. Nidhi Chhibber, Additional Secretary, MHI and Part Time Official Director

Smt. Nidhi Chhibber has been appointed as Part Time Official Director of EPI as nominee of Govt. of India pursuant to MHI Order dated 15.06.2021. Smt. Nidhi Chhibber is an IAS Officer of 1994 Batch, Chhattisgarh Cadre. Presently she is posted as Additional Secretary, Ministry of Heavy Industries, GOI.

(v) Shri Rajesh Kumar, Chief Controller of Accounts, MHI and Part Time Official Director

Shri Rajesh Kumar has been appointed as Part Time Official Director of EPI as nominee of Govt. of India pursuant to MHI Order dated 01.11.2021. Shri Rajesh Kumar is an ICAS Officer of 1994 Batch with a Master Degree of Philosophy from Delhi University. Presently he is posted as Chief Controller of Accounts, Ministry of Heavy Industries, GOI.

(vi) Smt. Akanksha Pare, Part Time Non-Official Director

Smt. Akanksha Pare has been appointed as Part Time Non Official Director on the Board of Company pursuant to MHI Order dated 02.11.2021. Smt. Akanksha Pare is a Post Graduate holding a Master Degree in Journalism and Mass Communication (MJMC) from Uttrakhand Sanskrit University. She is having 15 years of experience in Journalism and Mass Communication and presently associated with 'Outlook Magazine' as Assistant Director. Earlier she was associated with Webdunia, Dainik Bhaskar, Malayalam Manorama (Vanita).

(vii) Shri Vinod Kumar Yadav, Part Time Non-Official Director

Shri Vinod Kumar Yadav has been appointed as Part Time Non Official Director on the Board of Company pursuant to MHI Order dated 02.11.2021. Shri Vinod Kumar Yadav is a B.Ed qualified from Purvanchal University, Juanpur, Uttar Pradesh.

(G) Appointment of Directors

Appointment of all Directors (including Part-Time Directors, Independent Directors and Women Directors) are done by The President of India through Administrative Ministry i.e. Ministry of Heavy Industries.

The appointed Directors are not subject to Retirement by Rotation in view of exemptions u/s 152(6) & (7) (i.e. Retirement of Director by Rotation) of the Companies Act, 2013 vide MCA notification dated 13th June 2017.

3. COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees and subsidiary company are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate. The Board has currently established Committees as per Companies Act, 2013. Further the composition of committees has been reconstituted after the reappointment of Independent directors.

i. AUDIT COMMITTEE

The Audit Committee was reconstituted with changes in Directorship. Present Composition of Audit Committee is as under:

1.	Shri. Vinod Kumar Yadav, Independent Director	-	Chairman
2.	Smt. Akanksha Pare, Independent Director	-	Member
3.	Shri. Rajesh Kumar, Part Time Official Director	-	Member
4.	Shri. H. N. Thakur, Director (Projects)	-	Member

Director (Finance) will be permanent invitee to the meeting of Audit Committee.

Notes:

- Shri. Vinod Kumar Yadav is Chairman w.e.f 17.11.2021
- Smt. Akanksha Pare is Member w.e.f 17.11.2021
- Shri. Rajesh Kumar is Member w.e.f 17.11.2021
- Shri. D. S. Rana, Chairman & Managing Director was Member upto 16.11.2021
- Shri H. N. Thakur, Director (Projects) is Member w.e.f. 17.07.2020
- Smt. Neelam S. Kumar was Chairman upto 31.10.2021

During 2020-21, the Committee had two meetings on 14.10.2020 and 10.03.2021 and attendance details are as under-

Member	No. of Meetings held during their respective tenure	No. of Meetings attended
Smt. Neelam S. Kumar - Chairman #	2	2
Shri D. S. Rana - Member@	2	2
Shri H. N. Thakur - Member	2	2

Chairman upto 31.10.2021 @ Member upto 16.11.2021

Terms of Reference of Audit Committee

The term of reference of Audit Committee is in line with the requirements of Section 177 of the Companies Act, 2013 and DPE Guidelines on Corporate Governance. The same has been revised in terms of Companies Act 2013 w.e.f. 21st July 2014 as follows:-

1. The Recommendation for appointment, remuneration and terms of appointment of auditors of the company.

2. Review and monitor the auditor's independence and performance, and effectiveness of audit process.

3. Examination of the financial statement and the auditors' report thereon.

4. Approval or any subsequent modification of transactions of the company with related parties.

5. Scrutiny of inter-corporate loans and investments.

6. Valuation of undertakings or assets of the company, wherever it is necessary.

7. Evaluation of internal financial controls and risk management systems.

8. Monitoring the end use of funds raised through public offers and related matters, whenever applicable.

9. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.

10. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of the Companies Act 2013 or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

11. The Audit Committee of the company or the Board shall, in consultation with the Internal Auditor, formulate the scope, functioning, periodicity and methodology for conducting the internal audit.

12. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

13. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

14. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 of the Companies Act, 2013;

   b. Changes, if any, in accounting policies and practices and reasons for the same;

   c. Major accounting entries involving estimates based on the exercise of judgment by management;

   d. Significant adjustments made in the financial statements arising out of audit findings;

   e. Compliance with legal requirements relating to financial statements;

f. Disclosure/ review of any related party transactions;

g. Qualifications in the draft audit report.

15. Reviewing, with the management, the quarterly financial statements before submission to the board for approval

16. Reviewing, with the management, performance of internal auditors, adequacy of the internal control systems

17. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit

18. Discussion with internal auditors and/or auditors any significant findings and follow- up there on.

19. Reviewing the findings of any internal investigations by the internal auditors/ auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board

20. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

21. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.

22. To review the functioning of the Whistle Blower/Vigil mechanism.

23. To review the follow up action on the audit observations of the C&AG Audit.

24. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.

25. Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors

26. Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.

27. Consider and review the following with the independent auditor and the management:

a. The adequacy of internal controls including computerized information system controls and security, and

b. Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.

28. Consider and review the following with the management, internal auditor and the independent auditor:

a. Significant findings during the year, including the status of previous audit recommendations

b. Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information

29. The Audit Committee shall also have powers:

a. To investigate any activity within its terms of reference.

b. To seek information on and from any employee.

c. To obtain outside legal or other professional advice, subject to the approval of the Board of Directors.

d. To secure attendance of outsiders with relevant expertise, if it considers necessary.

e. To protect whistle blowers.

30. The Audit Committee shall review the following information:

a. Management discussion and analysis of financial condition and results of operations;

b. Statement of related party transactions submitted by management;

c. Management letters / letters of internal control weaknesses issued by the statutory auditors;

d. Internal audit reports relating to internal control weaknesses;

e. The appointment and removal of the Chief Internal Auditor shall be placed before the Audit Committee; and

f. Certification/declaration of financial statements by the Chief Executive/ Chief Financial Officer

31. Any other function(s) as may be specified in Companies Act 2013 and rules made there under, and the DPE Corporate Governance Guidelines.

ii. CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY COMMITTEE

The Company has constituted a Board Level Corporate Social Responsibility and Sustainability Committee, headed by an Independent Director on 15.03.2013 (reconstituted thereafter). The Committee has been constituted in accordance with provisions of the Section 135 of the Companies Act 2013 read Rules with Companies (Corporate Social Responsibility policy) Rules, 2014.

Presently, Committee has the following members:

1.	Smt. Akanksha Pare, Independent Director	-	Chairman
2.	Shri. Vinod Kumar Yadav, Independent Director	-	Member
3.	Shri H. N. Thakur, Director (Projects)	-	Member
4.	Shri R. P. Singh, Director (Finance)	-	Member

Notes:

- Smt. Akanksha Pare is Chairman w.e.f. 17.11.2021
- Shri. Vinod Kumar Yadav is Member w.e.f. 17.11.2021

- Smt. Neelam S. Kumar was Chairman up to 31.10.2021
- Shri P M Chandraiah, Director (Finance) was member up to 30.04.2021
- Shri R. P. Singh, Director (Finance) is Member w.e.f. 17.11.2021
- Shri H. N. Thakur, Director (Projects) is Member w.e.f. 17.07.2020

During 2020-21, the Committee had a meeting on 14.10.2020 and the attendance details are as under-

Member	No. of Meetings held during their respective tenure	No. of Meetings attended
Smt. Neelam S. Kumar - Chairman #	1	1
Shri H. N. Thakur - Member	1	1
Shri R. P. Singh – Member*	1	1

Chairman up to 31.10.2021 * Member up to. 15.10.2020

Details of activities undertaken by the Company under its CSR & Sustainability initiatives are given in CSR report attached as Annexure 'C' to Directors' Report.

iii. REMUNERATION COMMITTEE

Terms and conditions of appointment of Directors/Senior Management are governed by Government Guidelines/DPE Guidelines.

In accordance with the provisions of Section 178 of Companies Act 2013 and DPE Guidelines on Corporate Governance, a Remuneration committee has been constituted for deciding the annual bonus/variable pay pool and policy for its distribution across executives and non-unionized supervisors. Presently, Committee has the following members:

1. Smt. Akanksha Pare, Independent Director - Chairman
2. Shri. Vinod Kumar Yadav, Independent Director - Member
3. Shri. Rajesh Kumar, Part Time Official Director - Member

Notes:

- Smt. Akanksha Pare is Chairman w.e.f. 17.11.2021
- Shri. Vinod Kumar Yadav is Member w.e.f. 17.11.2021
- Shri Rajesh Kumar is member w.e.f. 17.11.2021
- Shri H. N. Thakur, Director (Projects) was Member up to 16.11.2021
- Smt. Neelam S. Kumar was Chairman up to 31.10.2021
- Shri P M Chandraiah, Director (Finance) was member up to 30.04.2021

No Remuneration Committee Meeting was held during the year 2020-21.

4. OTHER COMMITTEES

The following committees exist comprising of Senior Management Personnel of the Company (i.e. Below Board Level)-

SHARE TRANSFER COMMITTEE

The Company has a Share Transfer Committee to look into all the transfers, transmissions of Shares. MCS Share Transfer Agent Limited is the Registrar and Share Transfer Agent to register the share transfer and to coordinate with the depositories etc.

The Share Transfer Committee consists of the Officials of the Company viz. Head of Finance Division, Head of Legal Division and Head of Contracts Division. No transfer of Shares took place during the year.

The Authorised and Paid-up share capital of the Company is Rs. 909.40 Crores (divided into 909,404,600 equity shares of Rs. 10/- each) and Rs.35.42 Crores (divided into 35,422,688 equity shares of Rs. 10/- each) respectively.

The shareholding pattern of the Company as on 31st March 2021 is as under:

S. No	Name of Shareholder	No. of Shares	% of holding
1.	The President of India Ministry of Heavy Industries, GOI	35415677	99.98
2.	Others (Includes 6 PSUs i.e. Heavy Engineering Corporation Limited, Bharat Heavy Electricals Limited, Mining & Allied Machinery Corporation Limited, Triveni Structurals Limited, Instrumentation Limited, Hindustan Steelworks Construction Limited and EPI Shareholders' Trust)	7011	0.02

MCA vide notification dated 22.01.2019 has exempted Government Companies from dematerlisation of Shares.

RISK MANAGEMENT

Risk Management policy has been formulated to identify, evaluate, and mitigate risks faced by the Company. The main objectives of Risk Management policy is to define a framework for identification, evaluation and mitigation of risk, to encourage pro-active rather than re-active management, provide assistance to improve the quality of decision making throughout the organization.

To provide understanding on Risk Management, officials are nominated for various workshop/ course/ program on ''Risk Management" as and when organized by SCOPE, DPE ICAI etc.

Risk Management Committee

Risk Management Committee consist of two tier structure i.e. 4 member Corporate Level Committee who shall directly be controlled, supervised and guided by Director (Projects) and 4 Regional level Committee comprising Heads of Regions, who shall be responsible for reporting at Regional/Site level on regular basis to the Corporate Level Committee.

5. DISCLOSURES

i) Details of the remuneration paid to the functional Directors and sitting fees paid to Independent Directors during the year 2020-21 are as under:

A: Functional/Whole-time Directors:

(in Rs.)

Name of Directors	Salary	Benefits	Performance Linked Incentives	Total
Shri. D. S. Rana, Chairman & Managing Director	50,87,031	3,000	-	50,90,031
Shri P M Chandraiah , Director (Finance) w.e.f. 16.10.2020	14,76,037	5,29,776	-	20,05,813
Shri. H. N. Thakur, Director (Projects)	38,52,869	2,62,076	-	41,14,945

B: Independent Director:

During the Year 2020-21, No Independent Director was on the Board of the Company. Hence No Sitting Fees was paid during the year.

ii) All the directors are appointed by the Government of India in fixed pay scales. Accordingly, CMD is appointed in the revised schedule "B" scale of pay of Rs 1,80,000-3,20,000 (IDA), Directors are appointed in the revised schedule "B" scale of pay of Rs.1,60,000-2,90,000/- of IDA pattern. Their other terms and conditions of appointment are also fixed by the Government of India, Ministry of Heavy Industries, Department of Heavy Industry.

iii) Apart from the remuneration to directors as per the terms and conditions of their appointment and entitled sitting fee to Part-Time (Non-Official) Directors, none of the directors has any material or pecuniary relationship with the Company which can affect their independence of judgment.

iv) During the year, there were no materially significant related party transactions that might have potential conflict with the interest of the Company at large. Details of the Related Party Transaction as per Accounting Standard 18 form part of the Notes to the Accounts.

v) The Statutory Compliance Report received from various departments together with the status of the statutory dues is placed before the Board.

vi) There has been no instance of any penalty or strictures imposed by any statutory body except sales tax matter which is under appeal before appellate authority.

vii) The Company is complying with all the requirements of the Guidelines on Corporate Governance for CPSEs issued by the DPE.

viii) During the year, Presidential Directives have been followed.

ix) During the year, no expenditure is debited to the books and accounts which are not for the purpose of business and no expenses which are of personal nature have been incurred for the Board of Directors and Top Management.

x) Fraud Prevention Policy is in place in the Company since September 2010 for prevention, detection, and reporting of fraud.

xi) Other expenses as a percentage of total expenses (excluding depreciation & Finance Cost) has been 2.46% as compared to 1.46% in 2019-20. Financial expenses as a percentage of total expenses has been 1.21% compared to 0.64% in 2019-20.

xii) A certificate by Chief Executive Officer/Chief Financial Officer of the Company with respect to the financial statements of the company is placed as **Annexure B1**.

xiii) Website of the company (*www.engineeringprojects.com*) displays the official news release of the company like Annual Report, tenders, and career opportunities etc.

6. GENERAL BODY MEETINGS:

i) The details of the last three Annual General Meeting of the Company are given below:-

AGM	Financial Year	Date and Time of AGM	Location (Registered Office)
50th	2019-20	December 28th, 2020 at 03:30 P.M. (Adjourned on December 31st, 2020 at 03:30 P.M.)	Core-3, SCOPE Complex, (4th Floor), 7 Lodhi Road, New Delhi-110003
49th	2018-19	October 24th, 2019 at 3:00 P.M.	Core-3, SCOPE Complex, (4th Floor), 7 Lodhi Road, New Delhi-110003
48th	2017-18	September 26th, 2018 at 12:00 Noon (Adjourned on September 29th, 2018 at 10:00 A.M.)	Core-3, SCOPE Complex, (4th Floor), 7 Lodhi Road, New Delhi-110003

Notice of 51st Annual General Meeting for the financial year 2020-21 will contain details about date, time, venue of the AGM.

ii) Details of Special Resolution passed at last three AGMs-

AGM	Financial Year	Details of Special Resolution passed
50th	2019-20	To approve Monetization of Non-core Assets of EPI by following DIPAM Guidelines and/ or the Government approved procedure for Asset Monetization
49th	2018-19	NIL
48th	2017-18	NIL

7. RIGHT TO INFORMATION

As per requirement of "Right to Information Act, 2005" EPI has appointed Executive Director (P&M) as the Public Information Officer (PIO) and Regional Heads at Delhi, Kolkata, Mumbai, Chennai & Guwahati as Assistant Public Information Officers (APIOs). Executive Director (Legal) has been appointed as First Appellate Authority.

Information to all the RTI applications received during the year has been provided as per provisions of RTI Act, 2005. The data with respect to RTI applications during the F.Y. 2020-21 is as given below:-

1.	RTI application pending at the end of March 2020	3 Nos.
2.	RTI application received during the F.Y. 2020-21	77 Nos.
3.	RTI application disposed off during the F.Y. 2020-21	75 Nos.
4.	RTI application pending at the end of March 2021	5 Nos.

8. MEANS OF COMMUNICATION WITH SHAREHOLDERS

99.98% of the paid up capital of the Company is held by Government of India and the remaining 0.02% is held by six CPSEs and a trust created on behalf of these CPSEs.

Bilingual Annual Report is posted on the website of the Company along with other relevant information and is also laid before the Parliament. Annual Report etc. is also being sent in physical form as well as through electronic mode.

9. AUDIT QUALIFICATIONS

Reply to qualification on Accounts by Statutory Auditors and Secretarial Auditor, if any, is included as an attachment to the Directors' Report. Comments of Comptroller & Auditor General of India has been attached as addendum to the Directors Report.

10. TRAINING OF BOARD OF DIRECTORS

The Company imparts introductory training to newly appointed Directors on the Board of the Company. The training includes a brief presentation about the Company, important data about the performance of the Company, Memorandum & Articles of Association, EPI's Brochure and Guidelines on Corporate Governance issued by DPE, Secretarial Standard on the Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2), Independent Director- A Handbook published by ICSI, Companies Act, 2013 etc. Directors are also sponsored for the seminars/ conferences/ programmes as and when organized by SCOPE and Institute of Directors (IOD), Department of Public Enterprise (DPE) etc.

11. WHISTLE BLOWER POLICY

EPI has a whistle blower policy since 2010 to provide adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

All the employees are eligible to make protected disclosures to the Chairman, Audit Committee.

This policy was formulated in compliance to DPE guidelines on Corporate Governance. It also fulfills the requirement of section 177 of Companies Act, 2013 read with Companies (Meetings of

Board and its powers) Rules, 2014 which provide for establishing a vigil mechanism for directors and employees to report genuine concerns or grievances.

During the year, no personnel have been denied access to Audit Committee.

12. CODE OF CONDUCT

The Board of Directors has laid down the Code of Business Conduct and Ethics for the Board members and Senior Management of the Company. The Code of Conduct has been hosted on company's website *www.engineeringprojects.com*. All Board members and key officials of the company have affirmed their compliance with the code. A declaration to this effect is annexed to this Report as per **Annexure B2.**

13. COMPLIANCE CERTIFICATE

This Report duly complies with the applicable requirements of Guidelines on Corporate Governance for CPSEs and covers all the applicable suggested items mentioned in Annexure-VII of the Guidelines. The quarterly report on compliance with the Corporate Governance requirements prescribed by DPE is also sent to Administrative Ministry regularly. The certificate obtained from practicing Company Secretary regarding compliance of conditions of guidelines of Corporate Governance of CPSEs has been annexed to the Report as per **Annexure B3.**

Annexure B1

CERTIFICATION/ DECLARATION OF FINANCIAL STATEMENTS BY THE CHIEF EXECUTIVE OFFICER/ CHIEF FINANCIAL OFFICER OF THE COMPANY

We have reviewed the financial statements and the cash flow statement of Engineering Projects (India) Limited for the year ended 31st March 2021 and that to the best of our knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

(iii) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2020-21 which are fraudulent, illegal or violative of the Company's Code of Conduct;

(iv) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting, and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify the same.

(v) We have indicated to the auditors and the Audit Committee;

a) Significant changes in internal control over financial reporting during the year 2020-21;

b) Significant changes in accounting policies during the year 2020-21 and the same have been disclosed in the notes to the financial statements, if any; and

c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
(K. M. Saxena)
ED (Finance) & Chief Financial Officer

Sd/-
(D. S. Rana)
Chairman & Managing Director
DIN: 07022825

Place: New Delhi
Date: 22nd November 2021

Annexure B2

DECLARATION BY CHAIRMAN & MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2020-21.

I, D. S. Rana, Chairman & Managing Director, Engineering Projects (India) Limited, do hereby declare that all the Members of the Board of Directors and the Senior Management Team of the Company have affirmed their compliance of the Code of Business Conduct and Ethics of the Company during 2020-21.

Sd/-
(D. S. Rana)
Chairman & Managing Director
DIN: 07022825

Place: New Delhi
Date: 22nd November 2021

Annexure B3

CORPORATE GOVERNANCE CERTIFICATE

To
The Members,
Engineering Projects India Limited
Core 3, Scope Complex 7,
Institutional Area, Lodhi Road,
Delhi-110003

We have examined the compliance of the conditions of Corporate Governance by **Engineering Projects India Limited,** (hereinafter referred as **'the Company'**) for the year ended on **31st March, 2021** as stipulated in 'Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010' vide Notification No. 1 No. 18(8)/2005-GM originally issued on 22.06.2007 and revised guidelines issued vide office memorandum time to time by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India and annexure mentioned there under (hereinafter referred as **'Guidelines'**).

The compliance of the conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in abovementioned guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our knowledge and according to the explanations and information given and documents shown to us, we hereby certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Guidelines except the following:

I. *"As per Section 149 (4) read with rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 the company needs to have at least two Independent directors on Board. Further as per Clause 3.1.4 (Unlisted CPSEs) ofthe Guidelines also, at least one-third of the Board Members of the company should be Independent Directors. "The tenure of previous Independent Directors ended in November 2019 and since then new appointment of Independent Director has not been made. As a result, the company has not fully complied with the provisions of the Guidelines and The Companies Act with respect to constitution of the Board and its Board Level Committees Viz. Audit and Remuneration Committee.*

However we understand that the appointment of requisite number of Independent Directors on the Board of the Company is done by Government of India (GOI) and the Company is continuously pursuing the same with Administrative Ministry i.e. Ministry of Heavy Industries to comply with provisions of the Companies Act, 2013 and Guidelines.

II. *The gap between two consecutive Board Meetings (273rd and 274th) exceeded the prescribed timeline of three months (as per the Guidelines).*

It has been clarified that due to the official exigencies and ongoing pandemic situation of COVID-19 the meeting could not be held within the stipulated time limit of 03 months. However, the Company has complied with the provisions ofthe Companies Act 2013 in this regard.

We state that the compliances are neither an assurance as to the future viability ofthe Company nor the efficiency of the effectiveness with which the Management has conducted the affairs of the Company.

Place: New Delhi
Date: 13/10/2021

For AGB & Associates
Company Secretaries

Sd/-

CS Rashmi Aswal
(Partner)
Membership No.: A50322
C.P. No. 24667
UDIN: A050322C001167383

Annexure C

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

[As per the requirement of The Companies (CSR Policy) Rules, 2014]

1. Brief outline on CSR Policy of the Company:

CSR is an effective tool that synergizes the efforts of Corporate and the social sector agencies towards sustainable growth and development of societal objectives at large. CSR Policy of EPI provides for welfare measures for community at large and contribution to society at large by way of social & cultural development and being sensitive towards the need of socially and economically underprivileged class.

CSR Vision

"To work for society at large and improve their quality of life and build a positive and socially responsible image of EPI as a corporate entity".

CSR Objective

The objective of EPI CSR policy is adherence to ethical and responsible behavior towards the community and society and to undertake programmes for welfare & sustainable development of the community at large.

2. Composition of CSR Committee:

In line with the provisions of Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014, EPI has a Board level Corporate Social Responsibility (CSR) and Sustainability Committee. This committee is assisted by Nodal Officer.

Role of Board Level Committee is to-

(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) monitor the Corporate Social Responsibility Policy of the company from time to time.

CSR and Sustainability Committee have the following members:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Smt. Neelam S. Kumar Part Time Official Director	Chairman (w.e.f. 17.07.2020 upto 31.10.2021)	1	1
2.	Smt. Akanksha Pare Part Time Non Official Director	Chairman (w.e.f. 17.11.2021)	NA	NA
3.	Shri. H. N. Thakur Director (Projects)	Member (w.e.f. 17.07.2020)	1	1
4.	Shri R. P. Singh Director (Finance)	Member (w.e.f. 17.07.2020 upto 15.10.2020)	1	1
5.	Shri. P. M. Chandraiah Director (Finance)	Member (w.e.f. 05.11.2020 upto 30.04.2021)	NA	NA
6.	Shri Vinod Kumar Yadav Part Time Non Official Director	Member (w.e.f. 17.11.2021)	NA	NA
7.	Shri R. P. Singh Director (Finance)	Member (w.e.f. 17.11.2021)	NA	NA

3. **Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.**

   Corporate Social Responsibility Policy and Plan of the Company is available at the Company's website at www.engineeringprojects.com. No CSR activities were undertaken during the year.

4. **Provide the details of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.**

   Not applicable

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

   NIL

6. **Average net profit of the company as per section 135(5):**

   Rs. (4059.91) Lakhs i.e. Rs. (2728.47) Lakhs [2019-20], Rs. (5418.93) Lakhs [2018-19] and Rs. (4032.33) Lakhs [2017-18]

7. (a) **Two percent of average net profit of the company as per section 135 (5):** Nil

(b) **Surplus arising out of the CSR Projects or Programmes or activities of the previous Financial Years:** Rs. 1.33 Lakhs

(c) **Amount required to be set off for the Financial Year, if any:** Nil

(d) **Total CSR obligation for the Financial Year (7a + 7b + 7c):** Rs. 1.33 Lakhs

8. **(a) CSR amount spent or unspent for the Financial Year:** Rs. 1.33 Lakhs

Amount Unspent (in Rs.)					
Total Amount spent for the Financial Year 2020-21(in Rs.)	Total Amount transferred to Unspent CSR Account as per section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135 (5)		
	Amount (in Rs)	Date of transfer	Name of the Fund	Amount (in Rs)	Date of transfer
1.33 Lakhs	NIL	NIL	PM CARES Fund	1.33 Lakhs	30.03.2021

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

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

Rs. 1.33 Lakhs (Contribution to PM CARES Fund)

(d) **Amount spent in Administrative Overheads:** Nil

(e) **Amount spent on Impact Assessment, if applicable:** Nil

(f) **Total amount spent for the Financial Year (8b + 8c + 8d + 8e):**

Rs. 1.33 Lakhs (Contribution to PM CARES Fund)

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

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Nil
(ii)	Total amount spent for the Financial Year	1.33 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) **Details of Unspent CSR amount for the preceding three financial years:** Rs. 1.33 Lakhs

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

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

(a) Date of creation or acquisition of the capital asset(s).: Nil

(b) Amount of CSR spent for creation or acquisition of capital asset.: Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Nil

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Nil

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

Sd/-	**Sd/-**
(Shri H. N. Thakur)	**(Smt. Akanksha Pare)**
Member- CSR Committee	**Chairman- CSR Committee**
DIN: 08592663	**DIN: 09394630**

Date: 22nd November 2021
Place: New Delhi

Annexure - D

FORM NO. AOC -2

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

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

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

SL. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	NIL
f)	Date of approval by the Board	NIL
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

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

Sl. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Date of approval by the Board	NIL
f)	Amount paid as advances, if any	NIL

For and on behalf of the Board

Sd/-
(D. S. Rana)
Chairman & Managing Director
DIN: 07022825

Place: New Delhi
Date: 22nd November 2021

SECRETARIAL AUDIT REPORT

FORM NO. MR-3

From April 01, 2020 to March 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Engineering Projects (India) Limited
CIN: U27109DL1970GOI117585
Core-3, Scope Complex, 7 Lodhi Road New Delhi-110003

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Engineering Projects (India) Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we do hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on March 2021 according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the Rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **Not Applicable**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **Not Applicable**

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings; **Not Applicable**

(v) The following Regulations and Guidelines prescribed under the Securities Exchange Board of India, Act, 1992, ('SEBI Act'):- **Not Applicable**

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 /Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

(vi) Other Applicable Laws:

As per the explanation given by the Company vide its Management Representation Letter dated 22.10.2021, following laws and the rules made thereunder have been identified and complied with by the Company, to the extent possible:

(a) DPE Guidelines on Corporate Governance for CPSE issued by Department of Public Enterprises, on 14th May 2010 ("DPE Corporate Governance Guidelines");

(b) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("the POSH");

(c) The Rights of Persons with Disabilities Act, 2016 and Rules made thereunder ("the Disabilities Act").

We have also examined compliances with the following applicable clauses during the period under review:

(a) Secretarial Standards issued by the Institute of Company Secretaries of India as amended from time to time;

(b) No Listing Agreement was entered into by the Company with any of the stock exchange(s) as the company is not listed with any stock exchange.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines mentioned above subject to the following facts and observations:

1. *"As per Section 149(4) read with rule 4 of Companies (Appointment and Qualification of Directors) Rules,2014 the company needs to have at-least two Independent directors on Board. Further, as per Clause 3.1.4 (Unlisted CPSEs) of the DPE Corporate Governance Guidelines also, at least one-third of the Board Members of the company should be Independent Directors."*

The tenure of previous Independent Directors ended in November 2019 and since then new appointment of Independent Directors have not been made. As a result, the company has not fully complied with the provisions of the DPE Corporate Governance Guidelines and the Act with respect to constitution of the Board of the Company and it's Board Level Committees viz. Audit and Remuneration Committee.

However, we understand from the perusal of the records of the Company that the appointment of requisite number of Independent Directors on the Board of the Company is done by Government of India (GOI) and the Company is continuously pursuing the same with Administrative Ministry i.e. Ministry of Heavy Industries to comply with provisions of the Act and DPE Corporate Governance Guidelines.

2. The gap between two consecutive Board Meetings (273rd and 274th) exceeded the prescribed timeline of three months (as per the Guidelines).

It has been clarified by the Company that due to the official exigencies and ongoing pandemic situation of COVID-19 the meeting could not be held within the stipulated time limit of 03 months in compliance of DPE Guidelines. However, the Company has complied with the provisions of Section 173 of the Companies Act 2013 in this regard.

3. In case of the Rights of Persons with Disabilities Act, 2016 and Rules made thereunder and from perusal of records of the Company and as per explanation provided by the management, we have observed that the Company has ensures government directives as and when received from time to time.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, except independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act

Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for the shorter notice where requisite compliance has been made, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes maintained by the Company for the Board/ Committee and Shareholders, we noticed that none of the decisions were approved by the respective Board/Committee and Shareholders without any dissent note.

The Company has obtained all necessary approvals under the various provisions of the Act; and the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. However, the compliances of other applicable laws, as listed in Para (vi) above, are not verified and are based on the documents presented and management certifications reported to the Board through agenda papers with respect to the all office and on the basis of Management Representation Letter dated 22.10.2021.

We further report that during the audit period following facts of specific events/ actions have been observed:

1. It has been informed to us that decision of Cabinet Committee on Economic Affairs ("CCEA") dated 17th February 2016, in respect of Strategic Disinvestment process of "The Company" through merger with similarly placed CPSE, got further modified in its Meeting held on 13th February 2019 to allow all eligible CPSEs and Private Sector entities to participate in bidding process for disinvestment process. "CCEA" in its meeting held on 19th March 2019 further decided to designate all the immovable Assets as Non-Core Assets and thus, these Assets shall not form part of the transaction. Global Expression of Interest (EOI) by Government of India for Strategic Disinvestment has already been published in various newspapers on 29th June 2019 wherein Interested Bidders were required to submit their EOI along with the documents, not later than 13thAugust 2019. The last date for submission of Expression of Interest (EoI) for Strategic Disinvestment was further extended up to 13th September 2019. Further DIPAM vide its Office Memorandum dated 8th March 2019 has communicated the institutional framework for monetization of non-core assets of the CPSE, approved by the cabinet in its meeting dated 28th February, 2019. Accordingly, monetization of non-core assets of EPI is in progress.

2. It has been further informed that "EPI Urban Infra Developers Limited (EPIUIDL-CIN: U45309DL2016GOI299995), which was incorporated as Subsidiary Company of EPI on 19th May 2016 with 51% holding by "the Company" is still non-operational. The proposal for voluntary liquidation was declined by one of the shareholders (with 39% shareholding). Subsequently, Efforts of EPI's exit through "Invitation to Offer" of EPI's 51% shares to remaining two shareholders holding 49% shares could not succeed. A petition under Section 361 of The Companies Act, 2013 was filed with the Regional Director (RD), North, for summary winding up of EPIUIDL on 12th September 2018, which is still pending.

3. According to the information and explanations given to us, CBI has registered 3 cases and filed FIR against some employees of "the Company". Out of which 2 cases are in respect of alleged illegal gratification taken by the above accused of "the Company" to award a tender in favour of a particular party and these employees are under suspension (Two amongst them got superannuated). Further as explained to us "The Company" is not named as party in the FIR and no financial impact on its financial statement is envisaged.

For MNK and Associates LLP
Company Secretaries
FRN: L2018DE004900
Sd/-
Mohd. Nazim Khan
Company Secretary
FCS: 6529; CP-8245
UDIN:F006529C001506071

Place: New Delhi
Date: 22.11.2021

This report is to be read with our letter of even date which is annexed as **"Annexure- A"** and forms an integral part of this report.

"Annexure-A"

To,

The Members
ENGINEERING PROJECTS (INDIA) LIMITED
CIN: U27109DL1970GOI117585
Core-3, Scope Complex,7 Lodhi Road
New Delhi-110003

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.

3. We have relied on report of Statutory Auditors, Tax auditors, Cost Auditors and C & AG report for compliances of the applicable Financial Laws including Direct and Indirect Tax Laws, Accounting Standards, the correctness and appropriateness of Financial Records, Cost Records and Books of Accounts of the company since the same have been subject to review by respective Auditors and other designated professionals.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules, regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For MNK and Associates LLP
Company Secretaries
FRN: L2018DE004900

Sd/-
Mohd. Nazim Khan
(Designated Partner)
Company Secretary
FCS: 6529; CP-8245
UDIN:F006529C001506071

Place: New Delhi
Date: 22.11.2021

Company's reply to the Observations/Comments made by the Secretarial Auditor in his Secretarial Audit Report for the Financial Year 2020-21

Sl. No.	Observations/ Comments in the Report	Replies to the Observations
1.	As per Section 149(4) read with rule 4 of Companies (Appointment and Qualification of Directors) Rules,2014 the company needs to have at-least two Independent directors on Board. Further, as per Clause 3.1.4 (Unlisted CPSEs) of the DPE Corporate Governance Guidelines also, at least one-third of the Board Members of the company should be Independent Directors.The tenure of previous Independent Directors ended in November 2019 and since then new appointment of Independent Directors have not been made. As a result, the company has not fully complied with the provisions of the DPE Corporate Governance Guidelines and the Act with respect to constitution of the Board of the Company and it's Board Level Committees viz. Audit and Remuneration Committee.However, we understand from the perusal of the records of the Company that the appointment of requisite number of Independent Directors on the Board of the Company is done by Government of India (GOI) and the Company is continuously pursuing the same with Administrative Ministry i.e. Ministry of Heavy Industries to comply with provisions of The Act and DPE Corporate Governance Guidelines.	MHI vide Order No. F.No.8-08(1)/2020-PE-VIII/CPSE-III (E-21792) dated 02nd November 2021 has appointed Smt. Akanksha Pare Kashiv and Shri Vinod Kumar Yadav as two Non-Official Directors (Independent Directors) on the Board of the company. Therefore the Constitution of the Board Level Committees can now be complied in accordance with the provisions of the Companies Act 2013 and DPE Guidelines on Corporate Governance for CPSEs.
2.	The gap between two consecutive Board Meetings (273rd and 274th) exceeded the prescribed timeline of three months (as per the Guidelines). It has been clarified by the Company that due to the official exigencies and ongoing pandemic situation of COVID-19 the meeting could not be held within the stipulated time limit of 03 months in compliance of DPE Guidelines. However, the Company has complied with the provisions of Section 173 of the Companies Act 2013 in this regard.	Due to the official exigencies and ongoing pandemic situation of COVID-19 the meeting could not be held within the stipulated time limit of 03 months in compliance of DPE Guidelines. However, the Company has complied with the provisions of Section 173 of the Companies Act 2013 in this regard.
3.	In case of the Rights of Persons with Disabilities Act, 2016 and Rules made thereunder and from perusal of records of the Company and as per explanation provided by the management, we have observed that the Company has ensures government directives as and when received from time to time.	The Company is adhering to all the Government Directives as and when received from time to time with regard to the Rights of Persons with Disabilities Act, 2016 and Rules made there under. However the Company will explore further ways for safeguarding the interest of company for any non compliance in future.

Celebrations of Azadi Ka Amrit Mahotsav (AKAM) at Corporate and Regional Offices

75 Azadi Ka Amrit Mahotsav

Hindi Pakhwada

Vigilance Awareness Week

Swachhta Pakhwada

Construction of A.P. Markfed Corporate Office Building at Viyajawada, Andhra Pradesh

NTPC Hospital Project, Sundargarh, Odisha

JC Ghosh & PC Ray Building, IIT Kharagpur

NIPER Guwahati

STPI, Guwahati

IIT Guwahati

Madurai Rajaji Hospital, Tamil Nadu

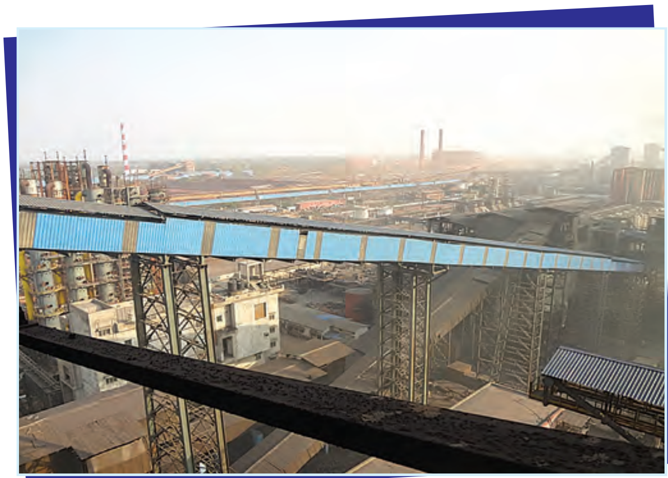
Godown Project, Diamond Harbour, West Bengal

Ranchi Technical University, Jharkhand

Rare Earth Permanent Magnet (REPM) Plant at BARC, Visakhapatnam

EC Railway Workshop Project Harnaut, Nalanda, Bihar

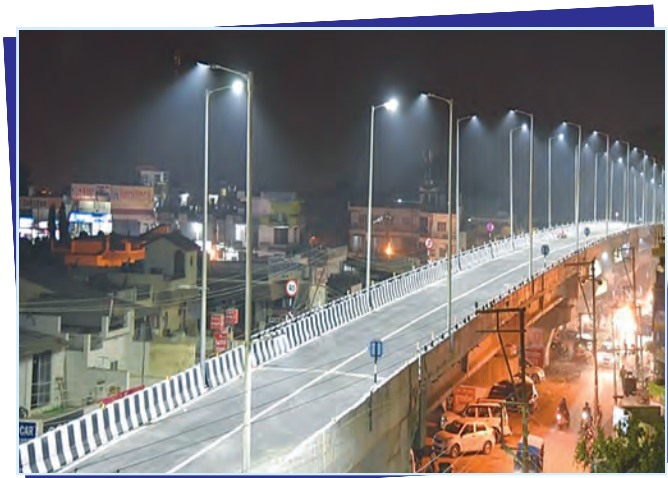
Wagon Tippler, Bhilai



Coal Handling Plant- Conveyor System, Bhilai

Regional Office Building Of ESIC, Kolkata

Medical College, Barmer



Flyover Project, Dehradun

Tamilnadu Slum Clearance Board Tenements Buildings at Perumbakkam, Chennai

Construction of New Chemical Sciences Building at IISC Campus, Bangalore

Foundation Stone Ceremony of EMRS Project, Dahanu, Palghar

SBM Project, Goa

Independent Auditor's Report

To The members of

ENGINEERING PROJECTS (INDIA) LTD

Revised Report on the Audit of the Standalone Financial Statements

This Audit Report is in supersession of our earlier Audit Report dated 22nd November 2022 on the accounts as at 31st March 2021 of "Engineering Projects (India) Limited" has been revised to give effect of the Provisional comments issued by Indian Audit and Accounts department, Office of the Principal Director of Audit (I&CA), New Delhi vide letter dated 16.12.2021

We have audited the accompanying standalone financial statements of ENGINEERING PROJECTS (INDIA) LTD which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss and statement of cash flow statement for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information. The company has 4 (Four) Regional Offices located at Western Region, Eastern Region, Southern Region, Northern Region and 3 (Three) overseas Branches at Oman, Sri Lanka & Myanmar which are audited by branch and other auditors appointed by CAG and Corporate Office is audited by us.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion Section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and loss and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. As per the accounting Policy number 10 trade receivables are considered good for realization upto 10 years therefore provision against doubtful debts is made for dues outstanding more than 10 years, a provision of Rs. 443.77 lakhs is made upto 31.03.2021 against the total recoverable amount of Rs. 2368.96 lakhs from M/s Uranium Corporation of India Ltd (UCIL). Against this receivable, Rs. 746.78 lakhs is pending for payment to sub-contractors. Thus, Net outstanding for which provisioning is required works out to Rs. 1622.18 lakhs. The above amount is more than 10 years old and as per Company's adopted accounting policy for Doubtful debts/Loans and advances, 100% provisioning is required. Management made a provision of Rs 443.77 lakhs up to 31.03.2021. Thus, required provisioning is short by Rs. 1178.41 lakhs.

   Further the company has taken the legal opinion on the said matter from Additional Solicitor General of India during the year under audit and as per the opinion a sum of Rs. 1161.92 Lakhs is undisputed along with other claims raised by the other party which has not been quantified as of now. UCIL has not honored the same till now. Therefore loss of the EPIL is understated by the same amount (Refer to Note No. 2.45).

2. The “amount payable to others” include amount which are pertaining to invoked bank guarantee and which are undisputed thereby should have been credited to “Miscellaneous Income”. However, in the absence of necessary information as regards the status of dispute or otherwise, pertaining to those amount, the same cannot be ascertained relating to eastern regional office.

3. Refer to note 2.11- Long term loans and advances which includes “Advance Tax/TDS Recoverable” amounting to Rs.3967.88 lakhs and “Indirect Tax (Recoverable, Input Tax Credit, Advance)” amounting to Rs.2490.28 lakhs. Out of the total, Indirect taxes of Rs. 244.64 lakhs and Advance tax/TDS recoverable of Rs. 28.84 lakhs were recorded/ uploaded at the time of initial upload of data into SAP System on 31.03.2014 for period pertaining prior to transition period(as explained by management). However documentary evidence for such claim with the revenue department could not be provided to the Regional Office auditor. In absence of the relevant information made available with auditors, we are unable to comment on the correctness, existence, completeness and the recoverability of the same.

4. C&C Construction Limited is 60% stake partner in Myanmar joint venture “EPI - C&C JV (unincorporated)” and main contractor in Company’s Oman Project is currently facing insolvency proceedings in NCLT and matter is at advance stage. Outcome and its financial impact on EPIL’S Financial Statements is not ascertainable.

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

Emphasis of Matters

We draw attention to following matters:-

1. In respect of the following balances of trade receivables, advances for works, security and retention money, loans and advances and recoverable from clients, vendors and others, positive external confirmations of the balances are not available. Due to non-availability of balance confirmations we are unable to quantify the impact, if any, arising on the financial statements.

Particulars	Amount (Rs. In Lakhs)
Advance for works	6,568.77
Security deposits and retention money	13,674.65
Trade receivables	16,103.24
Other recoverable	30,570.45

However the company sent negative balance confirmations request to all the respective customers but no response was received. Since as per SA 505- External Confirmation, the failure to receive a response to a negative confirmation request either indicate accuracy of amount due or unwillingness of confirming party to confirm the amount. Thereby the accuracy, existence and completeness of said amounts could not be verified. However as per the standards of auditing negative confirmation are an audit evidence thereby we are not qualifying our opinion on basis of above. Refer to note no. 2.43.

2. In respect of the following balances of trade payables, advances received from clients, security deposits and retention money received positive external confirmations of the balances are not available. Due to non-availability of balance confirmations we are unable to quantify the impact, if any, arising on the financial statements.

Particulars	Amount (Rs. In Lakhs)
Trade Payables	40,191.42
Security Deposits, Retention & Earnest Money	26,152.34
Advance received	28,287.64
Other Payable to Clients	741.27

However the company sent negative balance confirmations request to all the respective vendors but no response was received. Since as per SA 505- External Confirmation, the failure to receive a response to a negative confirmation request either indicate accuracy of amount due or unwillingness of confirming party to confirm the amount. Thereby the accuracy, existence and completeness of said amounts could not be verified. However as per the standards of auditing negative confirmation are an audit evidence thereby we are not qualifying our opinion on basis of above. Refer to note no 2.43.

3. The company had the policy of accounting reimbursements to employees for mobile phones purchased by them on their name as additions to fixed assets and capitalizing them under Office Equipment and claiming 100% depreciation on the same till October 2020 and after October 2020 the company expensed off the entire reimbursement to employee in lieu of mobile phones as expense. Further the Companies Act 2013 nowhere permits charging of 100% depreciation on any asset i.e. recording the asset at zero salvage value. Refer to note no. 2.9 and 2.24.

4. The company has practice of adjusting TDS Recoverable, Advance Tax Paid and TCS Recoverable from Income Tax liability of their respective assessment years only after receipt of final assessment order. However it is pertinent to note that the said policy leads to overstatement of assets and liability by the amounts accounted as TDS Recoverable, Advance Tax and TCS Recoverable. Since the financial impact of this is not material thereby we are not qualifying our opinion on same. Refer to note no. 2.11 and 2.17.

5. Refer to Note No.2.3, in lieu of BG provided by EPIL of Rs.4554.00 lakhs on behalf of C&C Construction Limited in Myanmar Project, EPIL has received Rs.1906.64 lakhs and the balance is secured against work done in Oman. Outcome and its financial impact is not ascertainable.

6. Central Bureau of Investigation (CBI) has registered 3 cases and filed FIRs against some employees of EPI out of which 2 cases have been registered during the year 2017-18 and 1 case in F.Y. 2016-17. The cases are in respect of alleged illegal gratification taken by the accused employees of EPI for award of tenders. EPI is not named as party in the FIRs and no financial impact on its financial statements is envisaged. Refer to note no. 2.41.

7. In early 2020, the existence of COVID-19 was confirmed and since then the virus has spread across the globe necessitating the World Health Organization (WHO) to declare it a global pandemic. The pandemic has caused disruption to businesses and economic activity across the globe.

   This year, the COVID-19 pandemic and national lockdown severely impacted the social sector as much as the economy. Health, Infrastructure, Construction, Education, Skilling were among the most seriously impacted sectors. It is evident that communicable diseases such as COVID-19 have the potential to inflict severe economic and financial costs on Indian Economy. Because of high transportation connectivity, globalization, and economic interconnectedness, it has been extremely difficult and costly to contain the virus and mitigate the importation risks once the disease started to spread in multiple locations.

   The EPIL recorded revenues of ₹ 80562.17 Lakhs during FY2020-21, registering a decline of 39.73%. The decline was mainly due to the slowdown of project execution affected due to lockdown-related disruptions in first half of the year. The Company will continue to evaluate the pandemic-related uncertainty arising from the on-going second wave and its assessment. (Refer Note No.-2.52)

Our opinion is not qualified on the above matters.

Information other than the Standalone 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the standalone financial statements and auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

Management's and Those Charged with Governance responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management 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 Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 Standalone 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone 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 Standalone Financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decision of a reasonable knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and quantitative 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 standalone 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.

From the matter communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the standalone financial statements/ information of 4(Four) Indian Regional Offices and 3 (Three) Overseas Branches included in the standalone financial statements of the Company whose financial statements/financial information reflect total assets of Rs. 1,71,250 Lakhs (Rs 1,80,894 Lakhs) total liabilities Rs 1,60,227 Lakhs (Rs. 1,60,364 Lakhs) as at 31st March 2021 (31st March 2020) and total revenue of Rs.80,733 Lakhs (Rs 1,34,310 Lakhs) for the year ended on that date, as considered in the standalone financial statements. The standalone financial statements/information of these Regional Offices/Branches have been audited by the other Independent branch auditors appointed by Comptroller & Auditor General of India whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

Due to outbreak of novel coronavirus COVID-19 and lockdown imposed by Central/State Governments and the resulting travel restrictions, it was not possible to physically visit the Company and carry out the audit function. Therefore, we have carried out the Audit process using various techniques of online Auditing. We have verified the records/documents/statements received by us through electronics media. We have also received Management Representation Letters where ever necessary. Using such techniques, we have ensured reasonable assurance that the information /records/statement provided to us are free from material misstatements and adhere to the relevant standards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"** a statement on the matters Specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion proper books of account as required by law has been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

   c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.

   d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) In terms of notification No. GSR 463 (E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub section 2 of Section 164 of the Act, are not applicable to the Company, being Government Company

   f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B".**

   g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:-

      i. The Company have some pending litigation which would impact its financial position. Refer Note No. 2.26 of the standalone financial statement.

ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

iii. There were no amount which were required to be transferred, to the Investor Education and Protection Fund by the Company.

3. With respect to the report pursuant to directions issued by Comptroller and Auditor General of India u/s 143(5) of the Companies Act,2013 for the year ended 31 March 2021 on accounts of Company audited by us, refer our separate Report in "**Annexure C**".

For GSK & ASSOCIATES LLP
Chartered Accountants
(Firm Registration No. :013838N /N500003)

Sd/-
(Sanjay Kumar Gupta)
Designated Partner
(Membership No.: 093056)

Place: New Delhi
Date: 23/12/2021
UDIN: 21093056AAAANE4523

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Standalone financial statements of the Company for the year ended March 31, 2021:

In terms of information and explanations given to us and the books and records examined by us, we report that:

1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Fixed Assets have been physically verified by the management at reasonable intervals, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the book's records and the physical fixed assets have been noticed.

(c) The title deeds of immovable properties are held in the name of the company, except as follows:-

Description of Assets	No. of Cases	Area (in Sq.ft)	Gross Blocks as on 31.03.2021 (Rs. in lakhs)	Net Blocks as on 31.03.2021 (Rs. in lakhs)
Building Leasehold	1	61,066	636.11	373.89

2) The management has conducted physical verification of Inventory at reasonable intervals during the year. Inventory of the company comprises of construction work in progress and stock of material.

a. In our opinion and according to the information and explanations given to us, the procedures for physical verification followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

b. In our opinion and according to the information and explanations given to us, the Company has maintained proper quantitative records of its inventory and no material discrepancies were noticed on physical verification.

3) According to the information and explanation given to us the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in register maintained under section 189 of Companies Act, 2013. Accordingly, provisions of clauses 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the order are not applicable to the Company and hence not commented upon.

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

5) The Company has not accepted any deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the provisions of clause (v) of paragraph 3 of the order are not applicable to the Company.

6) The Central Government has prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013.All the Cost records are maintained at regional office and reviewed by their respective auditors and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, no reason to disbelief them.

7) According to information and explanations given to us and on the basis of our examination of the books of account, and records, in our opinion:-

a. The Company has been generally regular in depositing undisputed statutory dues being TDS, Goods and Service Tax, Works Contract Tax, Professional 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 material statutory dues as applicable to the Company with the appropriate authorities except for the Labour Cess. Undisputed statutory dues of Labour cess outstanding as on 31st March,2021 for a period of more than six months from the date they became payable was Rs.24,56,184/-.

b. According to the information and explanation given to us, there were disputed statutory dues of Rs.5568.65 lakhs on account of any disputed matters pending before appropriate authority.

Name of the Statute	Nature of Dues	Amount (Rs in Lakhs)	Period to which Amount Relates	Forum where dispute is pending	Amount Deposited (Rs in lakhs)
Andhra Pradesh Value Added Tax Act	VAT Demand	44.49	Assessment Year 2008-09 and 2009-10	Honourable High Court of Andhra Pradesh, Hyderabad	
Chhattisgarh Value Added Sales Tax Act	Central Sales Tax	79.09	2013-14	Chhattisgarh Commercial Tax Tribunal, Raipur	
Chhattisgarh Value Added Sales Tax Act	Value Added Tax	335.46	2016-17	Assistant Commissioner, Appeal, Raipur	
Dept of Trade & Taxes , Govt of NCT of Delhi	D-VAT Interest & Penalty	14.48	2017-18	The Department of Trade and Taxes, Government of NCT of Delhi	
Dept of Trade & Taxes, Govt of NCT of Delhi	D-VAT Interest & Penalty	58.30	2015-16	The Department of Trade and Taxes, Government of NCT of Delhi	
Service Tax	Service Tax & Penalty	983.80	2012-13	Honourable High court, New Delhi	

Name of the Statute	Nature of Dues	Amount (Rs in Lakhs)	Period to which Amount Relates	Forum where dispute is pending	Amount Deposited (Rs in lakhs)
UP Trade Tax Act, 1948	UP Trade Tax	8.73	1993-94	Sales Tax Tribunal	
Service Tax Law	Service Tax Including Interest and penalty	418.64	Financial year 2005-06 to 2007-08	The CESTAT, Kolkata	
Service tax Law	Service Tax Including Interest and penalty	37.46	Financial year 2010-11 to 2012-13	The CESTAT, Kolkata	
Service tax Law	Service Tax Including Interest and penalty	91.95	Financial year 2011-12 to 2015-16	The CESTAT, Kolkata	
Service tax Law	Service Tax Including Interest and penalty	35.82	Financial year 2004-05 to 2005-06	The CESTAT, Kolkata	
West Bengal Value Added Tax Act, 2003	West Bengal VAT	494.88	Financial year 2007-08, 2015-16 & 2017-18	West Bengal Commercial Taxes appellate & Revision Board, Kolkata	
West Bengal Value Added Tax Act, 2003	West Bengal VAT	580.66	Financial year 2012-13 & 2016-17	Senior Joint Commissioner (1st Appeal) West Bengal Commercial Tax, Kolkata	
West Bengal Value Added Tax Act, 2003	West Bengal VAT	2364.66	Financial Year 2005-06, 2009-10, 2011-12, 2013-14 & 2014-15	West Bengal Taxation Tribunal, Kolkata	
Income Tax Act, 1961	Income Tax	99.32	Assessment Year 2014-15	Income Tax Appellate Tribunal	

In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowing to a financial institution and banks. Therefore, the provisions of clause (viii) of paragraph 3 of the order are not applicable to the Company.

In our opinion and according to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and, term loans raised were applied for purposes for which those are raised.

According to the information and explanations given to us, CBI has registered a case and filed FIR against three employees of EPI. The case is in respect of alleged illegal gratification taken by the accused employees of EPI to award of tenders. Further as explained to us EPI is not named as party in the FIR and no financial impact on its standalone financial statement is envisaged. Investigation in all three cases is still going on. (Refer Note No.2.41.)

In view of the exemption given in terms of Notification No. G.S.R. No. 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 read with schedule V to the Companies Act, 2013 regarding managerial remuneration are not applicable to the Company.

In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

According to the information and explanation given to us and based on our examination of the records of the branch, the branch has not entered into transaction with related parties and accordingly, reporting under paragraph 3 (xiii) relating to compliance of section 177 and 188 of Companies Act, 2013 is not applicable

According to the information and explanations given to us, the company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.

According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of section 192 of the Company Act 2013 are not applicable to the Company.

In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause (xvi) of paragraph 3 of the Order are not applicable to the Company.

For GSK & ASSOCIATES LLP
Chartered Accountants
(Firm Registration No. :013838N /N500003)
Sd/-
(Sanjay Kumar Gupta)
Designated Partner
(Membership No.: 093056)
Place: New Delhi
Date: 23/12/2021
UDIN: 21093056AAAANE4523

Annexure 'B' to the independent auditor's report

Referred to in paragraph 2 sub para (f) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone financial statements of the Company for the year ended March 31, 2021:

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 **Engineering Projects (India) Limited**, as of March 31, 2021 in conjunction with our audit of the Standalone Financial statements of the Branch for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of **Engineering Projects (India) Limited**, which are incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Branch's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a unqualified 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 Standalone 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 details, accurately and fairly reflect the transactions and dispositions of the assets of the Branch;

2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Branch are being made only in accordance with authorizations of management and directors of the Branch; and

3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Branch's assets that could have a material effect on the Standalone 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 control over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changed in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to standalone financial statements 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 Accountant of India. However we noticed that:-

1) Process of obtaining balance confirmation and Reconciliations from Trade Receivables, Trade Payables and Other Parties needs further improvement.

2) Company is not maintaining tracker for documenting the reason for selection and rejection of business opportunities.

For GSK & ASSOCIATES LLP
Chartered Accountants
(Firm Registration No. :013838N /N500003)
Sd/-
(Sanjay Kumar Gupta)
Designated Partner
(Membership No.: 093056)
Place: New Delhi
Date: 23/12/2021
UDIN: 21093056AAAANE4523

Annexure 'C' to the independent auditor's report.

Referred to in paragraph 3 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone financial statements of the Company for the year ended March 31, 2021:

Report on the Direction u/s 143(5) of Companies Act, 2013 for the financial year 2020-2021

Sl. No.	Directions	Reply
1.	Whether the company has system in place to process all accounting transactions through IT system? If yes, the implications of processing of accounting transaction outside IT system on the integrity of the accounts along with financial implications, if any, may be stated.	The company has system in place to process all the accounting transaction through IT system. Company has maintained accounts on SAP system.
2.	Whether there is any restructuring of an existing loan or cases of wavier/write off of debts/ loan/ interest etc. made by a lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	As per information and explanations given to us and based on our examination of records no restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc. made by the lender
3.	Whether funds (grants/subsidy etc.) received/ receivable for specific schemes for central/state Government or its agencies were properly accounted for/utilized as per its term & conditions? List the cases of deviation.	As per information and explanations given to us and based on our examination of records no fund received/receivable for specific schemes from central/ state agencies.

For GSK & ASSOCIATES LLP
Chartered Accountants
(Firm Registration No. :013838N /N500003)

Sd/-
(Sanjay Kumar Gupta)
Designated Partner
(Membership No.: 093056)
Place: New Delhi
Date: 23/12/2021
UDIN: 21093056AAAANE4523

Compliance Certificate

We have conducted the audit of accounts of The Engineering Projects (India) limited for the year ended 31st March, 2021 in accordance with the directions/sub directions issued by C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/sub directions issued to us.

For GSK & ASSOCIATES LLP
Chartered Accountants
(Firm Registration No. :013838N /N500003)

Sd/-
(Sanjay Kumar Gupta)
Designated Partner
(Membership No.: 093056)

Place: New Delhi
Date: 22/11/2021
UDIN: 21093056AAAALK4584

Company's Reply on Auditors Qualification

S.No.	Auditor's Qualification	Company's Reply
1.	As per the accounting Policy number 10 trade receivables are considered good for realization up to 10 years therefore provision against doubtful debts is made for dues outstanding more than 10 years, a provision of Rs. 443.77 lakhs is made up to 31.03.2021 against the total recoverable amount of Rs. 2368.96 lakhs from M/s Uranium Corporation of India Ltd (UCIL). Against this receivable, Rs. 746.78 lakhs is pending for payment to sub-contractors. Thus, Net outstanding for which provisioning is required works out to Rs. 1622.18 lakhs. The above amount is more than 10 years old and as per Company's adopted accounting policy for Doubtful debts/ Loans and advances, 100% provisioning is required. Management made a provision of Rs 443.77 lakhs up to 31.03.2021. Thus, required provisioning is short by Rs. 1178.41 lakhs. Further the company has taken the legal opinion on the said matter from Additional Solicitor General of India during the year under audit and as per the opinion a sum of Rs. 1161.92 Lacs is undisputed along with other claims raised by the other party which has not been quantified as of now. UCIL has not honored the same till now. Therefore Loss of the EPIL is understated by the same amount (Refer to Note No. 2.45).	The matter of realisation of old outstanding dues and their settlement is under active consideration between EPI and UCIL. Accordingly as decided by both the parties, legal opinion for settlement of dues were obtained from Additional Solicitor General of India. As per request of UCIL, the realisation of dues was also reviewed by Internal Committee of EPIL and decision was communicated to UCIL. As per ASG opinion an amount of Rs. 1161.19 lakhs is undisputed to be received by EPI from UCIL out of the total claims of Rs. 24.35 crores. High Level committee of EPIL Management has also reviewed and confirmed the realizeability of Rs. 1161.91 Lakhs. Further as per the Accounting Policy of the company, Provisions of old outstanding are made net of payables to the Sub Contractors (Associates). Accordingly, Amount of Rs. 443.77 Lakhs was provided in the Books of Account upto 31.03.2021.
2.	The "amount payable to others" include amount which are pertaining to invoked bank guarantee and which are undisputed thereby should have been credited to "Miscellaneous Income". However, in the absence of necessary information as regards the status of dispute or otherwise, pertaining to those amount, the same cannot be ascertained relating to eastern regional office.	In case of realization of proceeds of Invoked BG by EPI for the sub-contractors, the amount is continued to be shown as liability under the head "Payable to others" till the final closure of the project. This policy is being consistently followed considering the matching concept of

S.No.	Auditor's Qualification	Company's Reply
3.	Refer to note 2.11- Long term loans and advances which includes "Advance Tax/TDS Recoverable" amounting to Rs.3967.88 lakhs and "Indirect Tax (Recoverable, Input Tax Credit, Advance)" amounting to Rs.2490.28 lakhs. Out of the total, Indirect taxes of Rs. 244.64 lakhs and Advance tax/TDS recoverable of Rs. 28.84 lakhs were recorded/ uploaded at the time of initial upload of data into SAP System on 31.03.2014 for period pertaining prior to transition period(as explained by management). However documentary evidence for such claim with the revenue department could not be provided to the Regional Office auditor. In absence of the relevant information made available with auditors, we are unable to comment on the correctness, existence, completeness and the recoverability of the same.	accounting. Amount of Rs. 244.64 lakhs constitutes of VAT/Sales tax refund, Pre deposit of demands pertaining to years prior to 31.03.2014. Cases are pending before various legal forums and also shown in Contingent liability of the Eastern Regional Office, Kolkata. Amount of Rs. 28.84 lakhs pertains to excess TDS deposited in earlier years prior to 31.03.2014 and application for refund is submitted to department.
4.	C&C Construction Limited is 60% stake partner in Myanmar joint venture "EPI - C&C JV (unincorporated)" and main contractor in Company's Oman Project is currently facing insolvency proceedings in NCLT and matter is at advance stage. Outcome and its financial impact on EPIL's Financial Statements is not ascertainable.	Matter of fact only. Refer Note No. 2.29 (b)

Replies on Emphasis of Matter

<table>
<tr><th>S.No.</th><th>Auditor's Qualification</th><th>Company's Reply</th></tr>
<tr><td>1.</td><td>In respect of the following balances of trade receivables, advances for works, security and retention money, loans and advances and recoverable from clients, vendors and others, positive external confirmations of the balances are not available. Due to non-availability of balance confirmations we are unable to quantify the impact, if any, arising on the financial statements.
<table>
<tr><th>Particulars</th><th>Amount (Rs. In Lakhs)</th></tr>
<tr><td>Advance for works</td><td>6,568.77</td></tr>
<tr><td>Security deposits and retention money</td><td>13,674.65</td></tr>
<tr><td>Trade receivables</td><td>16,103.24</td></tr>
<tr><td>Other recoverable</td><td>30,570.45</td></tr>
</table>
However the company sent negative balance confirmations request to all the respective customers but no response was received. Since as per SA 505- External Confirmation, the failure to receive a response to a negative confirmation request either indicate accuracy of amount due or unwillingness of confirming party to confirm the amount. Thereby the accuracy, existence and completeness of said amounts could not be verified. However as per the standards of auditing negative confirmation are an audit evidence thereby we are not qualifying our opinion on basis of above.</td><td>The Practice of the balance confirmations of Trade Receivables, Loans & Advances, Retention Money and Security Deposit are consistently followed by the company from the last several years as per the practice followed across the industry.</td></tr>
<tr><td>2.</td><td>In respect of the following balances of trade payables, advances received from clients, security deposits and retention money received positive external confirmations of the balances are not available. Due to non-availability of balance confirmations we are unable to quantify the impact, if any, arising on the financial statements.
<table>
<tr><th>Particulars</th><th>Amount (Rs. In Lakhs)</th></tr>
<tr><td>Trade Payables</td><td>40,191.42</td></tr>
<tr><td>Security Deposits, Retention & Earnest Money</td><td>26,152.34</td></tr>
<tr><td>Advance received</td><td>28,287.64</td></tr>
<tr><td>Other Payable to Clients</td><td>741.27</td></tr>
</table></td><td>The Practice of the balance confirmations of Trade Payable and payable to other parties are consistently followed by the company from the last several years as per the practice followed across the industry.</td></tr>
</table>

S.No.	Auditor's Qualification	Company's Reply
	However the company sent negative balance confirmations request to all the respective vendors but no response was received. Since as per SA 505- External Confirmation, the failure to receive a response to a negative confirmation request either indicate accuracy of amount due or unwillingness of confirming party to confirm the amount. Thereby the accuracy, existence and completeness of said amounts could not be verified. However as per the standards of auditing negative confirmation are an audit evidence thereby we are not qualifying our opinion on basis of above	
3.	The company had the policy of accounting reimbursements to employees for mobile phones purchased by them on their name as additions to fixed assets and capitalizing them under Office Equipment and claiming 100% depreciation on the same till October 2020 and after October 2020 the company expensed off the entire reimbursement to employee in lieu of mobile phones as expense. Further the Companies Act 2013 nowhere permits charging of 100% depreciation on any asset i.e. recording the asset at zero salvage value.	Mobile phones are being given to the Employees for the Official Use. Companies Act, 2013 provides for the useful life for calculating depreciation and there is no bar on charging 100% depreciation. Further company is expensing off the mobile phones provided to employees are charged to statement of profit and loss irrespective of its value and the same practice is being followed by the peer companies.
4.	The company has practice of adjusting TDS Recoverable, Advance Tax Paid and TCS Recoverable from Income Tax liability of their respective assessment years only after receipt of final assessment order. However it is pertinent to note that the said policy leads to overstatement of assets and liability by the amounts accounted as TDS Recoverable, Advance Tax and TCS Recoverable. Since the financial impact of this is not material thereby we are not qualifying our opinion on same.	Company will make the adjustments entry at the time of filing of income tax return.
5.	Refer to Note No.2.3, in lieu of BG provided by EPIL of Rs.4554.00 lakhs on behalf of C&C Construction Limited in Myanmar Project, EPIL has received Rs.1906.64 lakhs and the balance is secured against work done in Oman. Outcome and its financial impact is not ascertainable.	The point is disclosed in note no. 2.29(b) of the notes to the Accounts of the company, wherein it is mentioned that the Balance Outstanding from C&C constructions Ltd. towards BG exposure is secured against their Dues in Oman Project.

S.No.	Auditor's Qualification	Company's Reply
6.	Central Bureau of Investigation (CBI) has registered 3 cases and filed FIRs against some employees of EPI out of which 2 cases have been registered during the year 2017-18 and 1 case in F.Y. 2016-17. The cases are in respect of alleged illegal gratification taken by the accused employees of EPI for award of tenders. EPI is not named as party in the FIRs and no financial impact on its financial statements is envisaged.	The Company has system of Reporting of Progress of such cases to the Board on periodical Basis.
7.	In early 2020, the existence of COVID-19 was confirmed and since then the virus has spread across the globe necessitating the World Health Organization (WHO) to declare it a global pandemic. The pandemic has caused disruption to businesses and economic activity across the globe. This year, the COVID-19 pandemic and national lockdown severely impacted the social sector as much as the economy. Health, Infrastructure, Construction, Education, Skilling were among the most seriously impacted sectors. It is evident that communicable diseases such as COVID-19 have the potential to inflict severe economic and financial costs on Indian Economy. Because of high transportation connectivity, globalization, and economic interconnectedness, it has been extremely difficult and costly to contain the virus and mitigate the importation risks once the disease started to spread in multiple locations. The EPIL recorded revenues of ₹ 80562.17 Lakhs during FY2020-21, registering a decline of 39.73%. The decline was mainly due to the slowdown of project execution affected due to lockdown-related disruptions in first half of the year. The Company will continue to evaluate the pandemic-related uncertainty arising from the on-going second wave and its assessment. (Refer Note No.-2.52)	The point is disclosed in note no. 2.52 of the notes to the Accounts of the company.

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

(Amount in ₹ Lakhs)

	Particulars	Note No.	As at 31st March, 2021		As at 31st March, 2020	
I.	**EQUITY AND LIABILITIES**					
1	**Shareholders' Funds**					
	a) Share Capital	2.1	**3,542.27**		3,542.27	
	b) Reserves and Surplus	2.2	**11,312.18**	**14,854.45**	16,314.09	19,856.36
2	**Share Application Money**					
	Pending Allotment		**-**		-	
3	**Non Current Liabilities**					
	a) Other Long - Term Liabilities	2.3	**64,106.16**		55,517.31	
	b) Long - Term Provisions	2.4	**3,209.97**	**67,316.13**	2,898.17	58,415.48
4	**Current Liabilities**					
	a) Short Term Borrowings	2.5	**4,845.32**		10,855.25	
	b) Trade Payables	2.6				
	i) Due to MSME		**798.92**		486.66	
	ii) Due to Other than MSME		**41,149.35**		58,685.78	
	c) Other Current Liabilities	2.7	**52,606.85**		45,367.10	
	d) Short Term Provisions	2.8	**1,417.81**	**100,818.25**	2,215.41	117,610.20
	Total			**182,988.83**		195,882.04
II.	**ASSETS**					
1	**Non current assets**					
	a) Tangible Assets					
	i) Property, Plant & Equipment	2.9(i)	**696.48**		740.43	
	b) Intangible Assets	2.9(ii)	**24.50**		37.10	
	c) Intangible Assets under construction	2.9(iii)	**78.38**		25.99	
	d) Deferred Tax Assets (Net)	2.10	**1,332.30**		1,872.37	
	e) Long Term Loans and Advances	2.11	**38,242.81**		36,641.90	
	f) Other Non Current Assets	2.12	**29,517.82**	**69,892.29**	26,186.00	65,503.79
2	**Current assets**					
	a) Current Investments	2.13	**-**		-	
	b) Inventories	2.14	**17.85**		102.17	
	c) Trade Receivables	2.15	**26,839.45**		43,434.45	
	d) Cash and cash equivalents	2.16 (i)	**12,446.94**		25,535.42	
	e) Other Bank Balance	2.16 (ii)	**17,357.44**		6,685.63	
	f) Short Term Loans and Advances	2.17	**19,624.97**		15,317.31	
	g) Other Current Assets	2.18	**36,809.89**	**113,096.54**	39,303.27	130,378.25
	Total			**182,988.83**		195,882.04
	Significant Accounting Policies	1				
	Notes to accounts	2.1 to 2.52				

The accounting policies and notes form an integral part of the financial statements.

As per our report of even date attached
For GSK & Associates
Chartered Accountants
Firm Registration No.013838N /N500003

For and on behalf of the Board of Directors

Sd/-
(RAJ PAL SINGH)
Director (Finance)
DIN: 08750557

Sd/-
(DHIRENDRA SINGH RANA)
Chairman cum Managing Director
DIN: 07022825

Sd/-
(CA Sanjay Kumar Gupta)
Designated Partner
Membership No. 093056
Place: New Delhi
Dated: 22nd November, 2021
UDIN:21093056AAAALJ8990

Sd/-
(KAPIL MOHAN SAXENA)
ED (Finance) & CFO

Sd/-
(NITESH KUMAR GOYAL)
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in ₹ Lakhs)

	Particulars	Note No.	Year ended 31st March, 2021	Year ended 31st March, 2020
I.	Revenue From Operations	2.19	**80,562.17**	133,658.95
II.	Other Income	2.20	**511.95**	673.29
III.	**Total Revenue (I+II)**		**81,074.12**	134,332.24
IV.	**Expenses:**			
	Operating Expenses	2.21	**74,876.65**	123,197.96
	Employee Benefits Expenses	2.22	**7,247.11**	7,336.75
	Finance Costs	2.23	**1,032.31**	852.41
	Depreciation & Amortisation Expenses	2.9	**99.36**	109.12
	Other Expenses	2.24	**2,071.24**	1,938.31
	Total Expenses		**85,326.67**	133,434.55
V.	**Profit/ (Loss) before prior period expenses, exceptional and extraordinary items and tax (III-IV)**		**(4,252.55)**	897.69
VI.	Prior Period Expenses (Net)	2.25	**116.26**	103.43
VII.	**Profit/ (Loss) before exceptional and extraordinary items and tax (V-VI)**		**(4,368.81)**	794.26
VIII.	Exceptional Items		**-**	-
IX.	**Profit/ (Loss) before Extraordinary Items and Tax (VII-VIII)**		**(4,368.81)**	794.26
X.	Extraordinary Items		**-**	-
XI.	**Profit/(Loss) Before Tax (IX-X)**		**(4,368.81)**	794.26
XII.	Tax Expense			
	Current Tax		**42.25**	609.60
	Earlier Years Tax Adjustments (net)		**23.18**	-
	Deferred Tax		**540.07**	92.63
XIII.	**Profit/ (Loss) from Continuing Operations (XI-XII)**		**(4,974.31)**	92.03
XIV.	Profit / (Loss) from discontinuing Operations		**-**	-
XV.	Tax Expense of discontinuing Operations		**-**	-
XVI.	**Profit / (Loss) from discontinuing Operations (After Tax) (XIV-XV)**		**-**	-
XVII.	**Profit / (Loss) for the year (XIII+XVI)**		**(4,974.31)**	92.03
XVIII.	**Earnings Per Share (Basic & Diluted)**	2.39	**(14.04)**	0.26
	Significant Accounting Policies	1		
	Notes to Accounts	2.1 to 2.52		

The accounting policies and notes form an integral part of the financial statements.

As per our report of even date attached
For GSK & Associates
Chartered Accountants
Firm Registration No.013838N /N500003

For and on behalf of the Board of Directors

Sd/-
(RAJ PAL SINGH)
Director (Finance)
DIN: 08750557

Sd/-
(DHIRENDRA SINGH RANA)
Chairman cum Managing Director
DIN: 07022825

Sd/-
(CA Sanjay Kumar Gupta)
Designated Partner
Membership No. 093056
Place: New Delhi
Dated: 22nd November, 2021
UDIN:21093056AAAALJ8990

Sd/-
(KAPIL MOHAN SAXENA)
ED (Finance) & CFO

Sd/-
(NITESH KUMAR GOYAL)
Company Secretary

STANDALONE-CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in ₹ Lakhs)

PARTICULARS	2020-21	2019-20
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	**(4,368.81)**	794.26
ADJUSTMENTS FOR:		
- DEPRECIATION AND AMORTIZATION	**99.36**	109.12
- LOSS/(PROFIT) ON SALE OF ASSETS (NET)	**1.56**	0.79
- INTEREST ON FDs	**(53.41)**	(78.61)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY	**(18.24)**	-
- CASH & CASH EQUIVALENTS		
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**(4,339.54)**	825.56
- DECREASE/(INCREASE) IN INVENTORIES	**84.32**	(83.40)
- DECREASE/(INCREASE) IN UNBILLED REVENUE	**2,811.31**	(2,717.58)
- DECREASE/(INCREASE) IN TRADE RECEIVABLES	**14,581.36**	(9,382.91)
- DECREASE/(INCREASE) IN FDs UNDER LIEN	**4,752.19**	(4,817.14)
- DECREASE/(INCREASE) IN LOANS & ADVANCES	**(9,102.79)**	12,635.71
- INCREASE/(DECREASE) IN CURRENT LIABILITIES & PROVISIONS	**(5,906.22)**	(2,247.32)
CASH GENERATED FROM OPERATIONS	**2,880.63**	(5,787.08)
- INCOME TAX	**(605.50)**	(702.23)
NET CASH FROM OPERATING ACTIVITIES	**2,275.13**	(6,489.31)
CASH FLOWS FROM INVESTING ACTIVITIES		
- PURCHASE/CONSTRUCTION OF FIXED ASSETS	**(101.27)**	(89.82)
- PROCEEDS FROM SALE OF ASSETS	**4.51**	5.58
- INTEREST INCOME	**166.53**	151.40
- FDR WITH MATURITY MORE THAN 3 MONTH	**(15,424.00)**	5,934.00
NET CASH FROM INVESTING ACTIVITIES	**(15,354.23)**	6,001.16
CASH FLOW FROM FINANCING ACTIVITIES		
- FDR WITH MATURITY MORE THAN 3 MONTH	-	-
- DIVIDEND PAID	**(27.61)**	-
- DIVIDEND TAX PAID	-	-
NET CASH USED IN FINANCING ACTIVITIES	**(27.61)**	-
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY	**18.24**	
- CASH & CASH EQUIVALENTS		
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(13,088.47)**	(488.15)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**25,535.43**	26,023.58
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**12,446.94**	25,535.43
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
CASH IN HAND (REFER NOTE NO 2.16)	**0.01**	-
CHEQUES IN HAND (REFER NOTE NO 2.16)	-	-
REMITTANCE IN TRANSIT	-	-
BALANCE WITH BANK'S IN CURRENT ACCOUNTS (REFER NOTE NO 2.16)	**8,597.29**	5,863.53
BALANCE WITH OTHER BANK'S FIXED DEPOSITES OTHER (REFER NOTE NO 2.16)	**3,849.64**	19,671.90
CASH AND CASH EQUIVALENT	**12,446.94**	25,535.43
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**12,446.94**	25,535.43

NOTE:

1) Cash And Cash Equivalents Consist Of Cash And Bank Balances Including FDs , Interest Accrued And Liquid Investment Excluding FDs Under Lien / Margin.
2) The above Cash flow statement has been prepared by using Indirect Method as per accounting Standard AS-3 "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.
3) Cash & Cash Equivalents consists of Cash & Other bank balances and deposit with Banks.
4) Previous Year Figures have been regrouped, rearranged and recasted where ever necessary.

As per our report of even date attached
For GSK & Associates
Chartered Accountants
Firm Registration No.013838N /N500003

For and on behalf of the Board of Directors

Sd/-
(RAJ PAL SINGH)
Director (Finance)
DIN: 08750557

Sd/-
(DHIRENDRA SINGH RANA)
Chairman cum Managing Director
DIN: 07022825

Sd/-
(CA Sanjay Kumar Gupta)
Designated Partner
Membership No. 093056
Place: New Delhi
Dated: 22nd November, 2021
UDIN:21093056AAAALJ8990

Sd/-
(KAPIL MOHAN SAXENA)
ED (Finance) & CFO

Sd/-
(NITESH KUMAR GOYAL)
Company Secretary

Notes to Standalone Financial Statement:-

(For the year ended 31st March 2021)

1. Significant Accounting Policies

1. Basis of accounting

a) The financial statements are prepared under historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India and to comply with the Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (the ''2013 Act"). The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) All Assets and Liabilities have been classified as current or non-current as per the criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time within which the assets are expected to be realized in cash and cash equivalents in the ordinary course of business, the company has ascertained its operating cycles as 12 months for the purpose of current and non-current classification of assets and liabilities.

2. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities, if any, on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognized in the current and future periods.

3. Revenue recognition

a) Contract Revenue is recognised to the extent it is probable that economic benefits will flow to the company and revenue can be reliably measured. Revenue is recognised by adding the aggregate cost of work and proportionate margin using the percentage of completion method. The percentage of completion is determined as a proportion of cost incurred to date to the total estimated cost of the contract revised annually.

b) At the year end, works executed but not measured/partly executed are accounted for based on certification by Internal Engineers, entries arising out of such accounting are reversed in the following accounting year. Accordingly, statutory obligations are met with at the time of actual receipt/ issue of bills/claims.

c) In case of projects foreclosed/terminated, revenue is recognised only to the extent of contract value of which recovery is probable.

d) Revenue from consultancy services is recognised on proportionate completion method. In respect of cases where ultimate collection with reasonable certainty is lacking at the time of claim, recognition is postponed till collection is made.

e) In case of contracts where the contract costs exceed the contract revenues, anticipated loss is recognised immediately.

f) Escalation and extra works not provided for in the contract with client, claims arising out of arbitration awards and insurance claims are accounted for on receipt basis.

g) Liquidated damages arising from contractual obligations in respect of contracts under dispute/negotiation and not considered payable/receivable are not accounted for till final settlement.

h) The contract is considered as closed for accounting purposes upon final billing, commissioning certificate, commercial run, foreclosure and/or termination whichever is earlier.

i) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

j) Revenue from rent is recognized on accrual basis, based on the lease agreements with the tenants except where the ultimate collection is considered doubtful.

k) In case of Project Management Consultancy work, where the responsibility of total execution, Billing, collection, compliances of Taxes including Defect Liability (DLP) etc. lies on company, the turnover will be recognized on percentage completion method based on cost plus margin.

4. Inventory

(i) Materials

a) Construction materials, consumables and stores & spares excluding steel, cement and pipes are charged to contract cost at the time of purchase. Sale proceeds on account of disposal of such left out materials are accounted as miscellaneous income in the year of sale.

b) Stock of steel, cement and pipes are valued at lower of cost or net realisable value. Cost includes freight and other related incidental expenses and is arrived at on weighted average cost.

(ii) Work in Progress

Construction work in progress is valued at cost till such time the outcome of the job cannot be ascertained reliably.

5. Foreign exchange transactions

Financial statements of foreign projects are translated in the following manner:

i) Revenue items (income and expenditure) are translated into Indian currency on the basis of average of buying rate prevalent on the last working day of each month of the relevant financial year.

ii) Property, Plant and Equipment and non-monetary items are translated at the buying rate at the date of transaction.

iii) Depreciation is translated at the rates used for the translation of the value of the assets on which depreciation is calculated.

iv) Inventories are translated at the buying rates prevalent at each balance sheet date.

v) Monetary items (assets and liabilities) and contingent liabilities are translated at the prevailing closing buying rate at each balance sheet date.

The net exchange differences resulting from the translations are recognised as income or expense for the year.

6. Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation on Property, Plant and Equipment is calculated on straight line basis based on the useful life of assets in accordance with the Schedule II of the Companies Act, 2013 and 95% of the cost is written off during the expected useful life of assets.

7. Depreciation

a) Depreciation on Property, Plant and Equipment is calculated on straight line basis based on the useful life of assets in accordance with the Schedule II of the Companies Act, 2013 and 95% of the cost is written off during the expected useful life of assets.

b) The following rates of depreciation derived on the basis of useful life of the assets have been adopted-

S.No.	Description of Assets	Rate of Depreciation
1	**Building (Other than factory Building) RCC frame structure (NESD)**	1.58%
2	**Others Temporary Construction (Including temporary structure etc.) (NESD)**	31.67%
3	**Plant and Machinery used in civil construction**	
3(a)(i)	Concreting, Crushing, Piling equipment and Road Making Machine	7.92%
3(a)(ii)(a)	Cranes with capacity of more than 100 tons	4.75%
3(a)(ii)(b)	Cranes with capacity of less than 100 tons	6.33%
3(a)(iii)	Earth moving equipments	10.56%
3(a)(iv)	Others including material handling/ Pipeline/welding equipments (NESD)	7.92%

S.No.	Description of Assets	Rate of Depreciation
4	**General Furniture and Fixture (NESD)**	9.50%
5	**Office Equipments (NESD)**	19%
6	**Computers and data processing units (NESD)**	
6(a)	Server and Network	15.83%
6(b)	End user devices such as Desktop, Laptop, Software including user license fee, other intangible assets etc.	31.67%
7	**Motor Vehicles (NESD)**	
7(a)	Motorcycles, Scooters & Other Mopeds	9.50%
7(b)	Motor Buses, Motor Lorries and Motor Cars other than used in business of running them on hire	11.88%

Except for assets in respect of which no extra shift depreciation (NESD) is permitted as indicated, if an asset is used for any time during the year for double shift, the depreciation will increase by 50% for that period and in case of triple shift the depreciation shall be calculated on the basis of 100% for that period.

c) Property, Plant and Equipment acquired during the period, individually costing upto ₹ 5,000/- are fully depreciated in a year of purchase. However, Mobile phones provided to employees are charged to statement of profit and loss irrespective of its value".

Financial Impact of the changed policy during the year is "NIL".

d) Leasehold building are amortised over the period of lease or over the specified period calculated as per the rates adopted by the Company which ever is shorter. Leasehold land under perpetual lease is not being amortised and carried at cost.

8. Employee Benefits

(i) Short Term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss statement of the year in which the related service is rendered.

(ii) Post employment and the other long term employee benefits are recognised as an expense in the Profit and Loss statement for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. The actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss statement.

9. Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimation. A contingent liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

10. Provision for Doubtful Debts/ Loans and Advances

The amount of Trade Receivables/ Loans and Advances in closed projects, pertaining to Central / State Governments and their Departments, PSU clients and Foreign clients are considered good for realization upto 10 years from the year these became due. These debts are under constant persuasion for realization till final settlement made with the client(s) or verdict is passed by the arbitral tribunal/ court, in case of dispute. Necessary provision against doubtful debts / loans and advances for **net receivable amount** on project basis is made in case the dues are outstanding for more than 10 years based on the previous experience/progress/assessment of the matter by the management. Trade Receivables/ Loans and Advances are written-off when considered unrealizable. For the cases pending with Arbitrator / Tribunal / Court no provision is made.

Net receivable indicated above means that the total amount due from the client reduced by the corresponding amount payable to the subcontractors of the respective Project.

11. Segment Reporting

The Company has identified two primary reporting segments based on geographic location of the projects viz. Domestic & International.

12. Impairment of assets

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the profit and loss account.

13. Taxation

Provision for tax for the year comprises estimated current income-tax determined as higher of the amount of tax payable in respect of taxable income for the period or tax payable on book profit computed in accordance with the provisions of section 115BAA of the Income tax Act, 1961 and deferred tax being the tax effect of temporary timing differences representing the difference between taxable and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is calculated in accordance with the relevant domestic tax laws.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In respect of carry forward losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum Alternate TAX ('mat') is not applicable to company being company opted for taxation u/s 115BAA of the Income Tax Act, 1961.

14. Leases

Lease payments under operating leases are recognised as expense in the profit and loss account on straight line basis over the lease term.

15. 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.

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.

16. Prior Period Items and Prepaid Expenses

Expenditure/income relating to prior period and prepaid expenses not exceeding ₹ 100,000/- in each case are treated as expenditure/income of the current year.

17. Allocation of Corporate Office Overheads

Corporate/ Head Office overheads relating to salary and related costs thereto are allocated to Oman project in the ratio of its turnover over the total turnover of EPI.

Note No. 2.1

(Amount in ₹ Lakhs)

Share Capital	As at 31st March 2021	As at 31st March 2020
Authorised		
90,94,04,600 Equity Shares of ₹ 10/- Each Fully Paid Up (P.Y. 90,94,04,600 Equity Shares of ₹ 10/- Each Fully Paid Up)	**90,940.46**	90,940.46
Issued, Subscribed and Fully Paid up		
3,54,22,688 Equity Shares of ₹ 10/- Each Fully Paid Up (P.Y. 3,54,22,688 Equity Shares of ₹ 10/- Each Fully Paid Up)	**3,542.27**	3,542.27
Balance in Corporate Office account (Interunit)	-	-
Total	**3,542.27**	3,542.27

Note 2.1 (A)

Reconciliation of No. of Shares Outstanding	As at 31st March 2021	As at 31st March 2020
	Number	Number
At the beginning of the year	**3,54,22,688**	3,54,22,688
At the end of the year	**3,54,22,688**	3,54,22,688

Note 2.1 (B)

Number of Shares Held by Each Shareholder holding More Than 5%	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	**% age Holding**	No. of Shares	% age Holding
The President of India	**3,54,15,677**	**99.98**	3,54,15,677	99.98

Note No. 2.2

(Amount in ₹ Lakhs)

Reserve & Surplus	As at 31st March 2021	As at 31st March 2020
A) Capital Reserve		
Balance as at the beginning and end of the year	**2.10**	2.10
B) General Reserve		
Balance as at the beginning of the year	**2,115.00**	2,115.00
Add: Addition during the year	**-**	-
Balance as at the end of the year	**2,115.00**	2,115.00
C) Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	**14,197.00**	14,104.96
Add: Profit/(Loss) for the year	**(4,974.31)**	92.03
Less: Dividend Paid*	**(27.61)**	-
Less: Transfer of last year Profit*	-	-
Balance as at the end of the year	**9,195.08**	14,196.99
Total (A+B+C)	**11,312.18**	16,314.09

*The Ministry of Corporate Affairs while notifying Companies (Accounting Standards) Amendment Rules, 2016 (G.S.R. 364(E) dated 30.03.2016) has amended Accounting Standard (AS)-4 "Contingencies and Events Occurring After the Balance Sheet Date". The para 14 of amended AS-4 provides that if dividends are declared after the balance sheet date, then such dividends are not recognized as a liability at the balance sheet date because no obligation exists at that date.

Note No. 2.3

(Amount in ₹ Lakhs)

Other Long Term Liabilities	As at 31st March 2021	As at 31st March 2020
Trade Payables		
- Micro, Small & Medium Enterprises *	-	-
- Other than Micro, Small & Medium Enterprises	**16,199.31**	12,157.45
Other Liabilities		
- Security Deposits & Retention Money #	**35,170.67**	33,410.80
-Advance Received from Clients	**12,553.98**	9,799.15
- Other Payable to Clients	**182.20**	149.91
Total	**64,106.16**	55,517.31

* Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of confirmations received from these entities and to the extent of the information available with the Company. There was no amount due for more than forty five days payable to these identified entities at any time during the year.

Includes an amount of ₹ 1906.64 Lakhs received by EPIL in lieu of Bank Guarantee provided by EPIL for ₹ 4554.00 Lakhs on behalf of C&C Constructions Limited in Myanmar Project and balance is secured against work done in Oman.

Note No. 2.4

(Amount in ₹ Lakhs)

Long Term Provisions	As at 31st March 2021	As at 31st March 2020
Employee Benefits		
-Leave Encashment	**1,368.33**	1,227.40
-Gratuity	**170.33**	61.69
-Long Service Award	**19.58**	19.58
-Post Retirement Medical Benefits	**1,647.88**	1,584.48
-Post Retirement Travelling Allowance	**3.85**	5.02
Total	**3,209.97**	2,898.17

Note No. 2.5

(Amount in ₹ Lakhs)

Short Term Borrowing	As at 31st March 2021	As at 31st March 2020
Secured		
- Loan Payable on Demand from Banks #	-	0.23
Unsecured		
- Loan Payable on Demand from Banks *	**4,845.32**	10,855.02
Total	**4,845.32**	10,855.25

Amount of ₹ NIL (previous year ₹ 0.23 Lakhs) towards overdraft against pledging the clients fixed deposit.

*Amount of ₹ 4845.32 Lakhs (previous year ₹ 10,855.02 Lakhs) towards clean cash credit against fund based limit/short term loan with IOB Delhi.

Note No. 2.6

(Amount in ₹ Lakhs)

Trade Payables	As at 31st March 2021	As at 31st March 2020
Trade Payables		
- Micro, Small & Medium Enterprises *	**798.92**	486.66
- Other than Micro, Small & Medium Enterprises	**41,149.35**	58,685.78
Total	**41,948.27**	59,172.44

*Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of confirmations received from these entities and to the extent of the information available with the Company. There was no amount due for more than forty five days payable to these identified entities at any time during the year.

Based on information available with the company ₹ 798.92 Lakhs (previous year ₹ 486.66 Lakhs) was payable to MSME at the end of the year. No amount of interest was payable for the year.

Note No. 2.7

(Amount in ₹ Lakhs)

Other Current Liabilities	As at 31st March 2021	As at 31st March 2020
Advance From Clients	**27,915.84**	23,802.47
Security Deposits, Retention & Earnest Money	**6,703.07**	8,978.79
Outstanding Liabilities	**1,052.48**	2,322.49
Other Payable to Clients	**559.07**	425.72
Advance Revenue for Works	**5,880.27**	5,837.56
Payable to Employees *	**842.01**	796.87
Additional Claims Payable	**8,274.82**	-
Statutory Liabilities	**1,379.29**	3,203.20
Total	**52,606.85**	45,367.10

* During the year ended on 31.03.2021 an amount of ₹ 38.72 Lakhs (previous year ₹ 38.72 Lakhs) related to Performance Related Pay is pending for release to certain employees.

Pursuant to the guidelines regarding pay revision (3rd PRC) w.e.f. 01.01.2017 provision of ₹ NIL (previous year ₹ 192.76 Lakhs) has been made in the books of accounts during FY 2020-21. The cumulative provision as at 31.03.2021 is ₹ 681.96 Lakhs (previous year ₹ 693.08 Lakhs as on 31.03.2020).

Note No. 2.8

(Amount in ₹ Lakhs)

Short Term Provisions	As at 31st March 2021	As at 31st March 2020
Provision for Expected Loss (As per AS-7)	**806.50**	1,161.82
Provision for Income Tax (Foreign)	**42.25**	609.60
Employee Benefits		
-Leave Encashment	**229.18**	235.25
-Gratuity	**88.16**	82.64
-Long Service Award	**3.33**	4.51
-Post Retirement Medical Benefits	**247.93**	121.09
-Post Retirement Travelling Allowance	**0.46**	0.50
Total	**1,417.81**	2,215.41

Note No. 2.9 (i)

Property, Plant & Equipments as at 31.03.2021

(Amount in ₹ Lakhs)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	OPENING BALANCE	ADDITIONS	ADJUST-MENT	SALE/ WRITTEN OFF	TOTAL	OPENING BALANCE	FOR THE YEAR	ADJUST-MENT	SALE/ WRITTEN OFF	TOTAL	As at 31st March 2021	As at 31st March 2020
Property, Plant & Equipment												
LAND FREEHOLD	-	-	-	-	**-**	-	-	-	-	**-**	**-**	-
LAND LEASEHOLD	16.16	-	-	-	**16.16**	3.48	0.15	-	-	**3.64**	**12.52**	12.68
BUILDING FREEHOLD	46.87	-	-	-	**46.87**	28.90	1.09	-	-	**29.99**	**16.88**	17.97
BUILDING LEASEHOLD*	667.13	-	(0.00)	-	**667.13**	277.57	12.77	0.00	-	**290.34**	**376.79**	389.57
COMPUTER AND EQUIPMENTS	502.20	22.79	-	5.77	**519.22**	452.96	17.71	-	4.75	**465.92**	**53.30**	49.25
OFFICE AND OTHER EQUIPMENTS	264.87	18.16	-	2.04	**280.99**	228.78	18.12	-	1.81	**245.09**	**35.89**	36.09
CONSTRUCTION EQUIPMENTS	626.82	-	-	-	**626.82**	486.53	17.52	(0.00)	-	**504.04**	**122.77**	140.29
FURNITURES & FIXTURES	260.34	7.93	(0.00)	6.27	**262.00**	182.55	14.24	-	1.49	**195.31**	**66.70**	77.78
VEHICLES	72.06	-	-	-	**72.06**	55.25	5.18	-	-	**60.43**	**11.63**	16.81
TOTAL	**2,456.45**	**48.88**	**(0.00)**	**14.08**	**2,491.25**	**1,716.02**	**86.78**	**(0.00)**	**8.03**	**1,794.77**	**696.48**	740.43
PREVIOUS YEAR	2,439.77	41.05	0.00	24.37	2,456.45	1,636.43	97.60	0.00	18.01	1,716.02	740.43	

*Conveyance deeds in respect of building at Scope Complex, New Delhi included in fixed assets at a cost of ₹ 374.42 Lakhs (previous year ₹ 374.42 Lakhs) is pending for execution in the name of Company.

Note No. 2.9 (ii)
Intangible assets as at 31.03.2021

(Amount in ₹ Lakhs)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	OPENING BALANCE	ADDITIONS	ADJUST-MENT	SALE/ WRITTEN OFF	TOTAL	OPENING BALANCE	FOR THE YEAR	ADJUST-MENT	SALE/ WRITTEN OFF	TOTAL	As at 31st March 2021	As at 31st March 2020
INTANGIBLE ASSETS												
SOFTWARES (ACQUIRED)	244.73	-		0.09	**244.64**	207.63	12.58		0.07	**220.14**	**24.50**	37.10
TOTAL	**244.73**	**-**	**-**	**0.09**	**244.64**	**207.63**	**12.58**	**-**	**0.07**	**220.14**	**24.50**	37.10
PREVIOUS YEAR	222.10	22.78	-	0.15	244.72	196.24	11.52	-	0.14	207.62	**37.10**	

Note No. 2.9 (iii)
Intangible Assets as at 31.03.2021

(Amount in ₹ Lakhs)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	OPENING BALANCE	ADDITIONS	ADJUST-MENT	SALE/ WRITTEN OFF	TOTAL	OPENING BALANCE	FOR THE YEAR	ADJUST-MENT	SALE/ WRITTEN OFF	TOTAL	As at 31st March 2021	As at 31st March 2020
INTANGIBLE ASSETS (UNDER CONSTRUCTION)												
SOFTWARES (UNDER CONSTRUCTION)	25.99	52.39	-	-	**78.38**	-	-	-	-	-	**78.38**	25.99
TOTAL	**25.99**	**52.39**	**-**	**-**	**78.38**	**-**	**-**	**-**	**-**	**-**	**78.38**	25.99
PREVIOUS YEAR	-	25.99	-	-	25.99	-	-	-	-	-	**25.99**	-

Note No. 2.10

(Amount in ₹ Lakhs)

Deferred Tax Assets (Net)*	As at 31st March 2021	As at 31st March 2020
Depreciation on Fixed Assets	**(605.47)**	(65.40)
Provision for Doubtful Debts	**1,106.37**	1,106.37
Provision for Employee Benefits (AS-15)	**443.54**	443.54
Other Disallowances	**387.86**	387.86
Total	**1,332.30**	1,872.37

* Tax rate applied for calculation of DTA is 25.168% (Income Tax 22%, surcharge 10%, health & education cess 4%)

Note No. 2.11

(Amount in ₹ Lakhs)

Long term Loans and Advances	As at 31st March 2021		As at 31st March 2020	
(Unsecured, Considered Good Unless Stated Otherwise)				
Advance for Works:				
-Mobilization Advance Secured Against BG	**1,347.69**		1,423.60	
-Secured against Material	**110.66**		83.70	
-Other Advances	**2,461.06**		2,466.63	
Other Advances Considered Doubtful	**656.24**		657.44	
	4,575.65		4,631.37	
Less: Allowance for Bad & Doubtful Advances	**(653.47)**	**3,922.18**	(653.47)	3,977.90
Staff Loans & Advances		**11.35**		12.06
Security & Retention Money	**27,613.70**		25,629.71	
Considered Doubtful	**880.22**		880.22	
	28,493.92		26,509.93	
Less: Allowance for Bad & Doubtful Recoveries	**(880.22)**	**27,613.70**	(880.22)	25,629.71
Advance Tax /TDS Recoverable	**3,967.88**		4,211.26	
Less: Provision for Income Tax	**(281.99)**	**3,685.89**	(451.37)	3,759.89
Advance Tax (Foreign)		**519.41**		519.41
MAT Credit		**-**		169.38
Indirect Tax (Recoverable, Input Tax Credit, Advance)		**2,490.28**		2,573.55
Total		**38,242.81**		36,641.90

Note No. 2.12

(Amount in ₹ Lakhs)

Other Non Current Assets	As at 31st March 2021		As at 31st March 2020	
Trade Receivables				
Unsecured Considered Good	**5,671.90**		5,345.51	
Considered Doubtful	**698.79**		698.79	
	6,370.69		6,044.30	
Less: Allowance for Bad & Doubtful Recoveries	**(698.79)**	**5,671.90**	(698.79)	5,345.51
Other Assets				
Fixed Deposits #		**82.32**		77.31
Recoverable from Clients, Vendors & Others	**23,763.60**		20,763.18	
Considered Doubtful	**1,081.59**		1,081.59	
	24,845.19		21,844.77	
Less: Allowance for Bad & Doubtful Recoveries	**(1,081.59)**	**23,763.60**	(1,081.59)	20,763.18
Total		**29,517.82**		26,186.00

As on 31.03.2021 Company has pledged fixed deposits amounting to ₹ 82.32 Lakhs (previous year ₹ 77.31 Lakhs) with clients/others on account of earnest money deposit/security deposit submitted to Client is under dispute, matter is sub-judice.

Note No. 2.13

(Amount in ₹ Lakhs)

Current Investments	As at 31st March 2021	As at 31st March 2020
Investment in 51000 (P.Y. 51000) Equity Shares of Rs. 10/- Each Fully Paid up of EPI Urban Infra Developers Ltd. (Subsidiary Company)	**5 .10**	5.10
Less Provision for Diminuation in Value of Investment.	**(5.10)**	(5.10)
Total	**-**	-

Note No. 2.14

(Amount in ₹ Lakhs)

Inventories	As at 31st March 2021	As at 31st March 2020
Materials : (Lower of Cost or NRV)		
-Steel	**17.85**	102.17
-Cement	**-**	-
-Pipes & Others	**-**	-
Total	**17.85**	102.17

Note No. 2.15

(Amount in ₹ Lakhs)

Trade Receivables	As at 31st March 2021	As at 31st March 2020
Trade Receivables		
Unsecured Considered Good Outstanding For:-		
- Less Than Six Months	**24,445.44**	42,098.31
- More Than Six Months	**2,394.01**	1,336.14
Considered Doubtful	**-**	-
	26,839.45	43,434.45
Less: Allowance for Bad & Doubtful Recoveries	**-**	-
Total	**26,839.45**	43,434.45

Note No. 2.16 (i)

(Amount in ₹ Lakhs)

Cash and cash equivalents	As at 31st March 2021		As at 31st March 2020	
Cash & Cash Equivalents				
Balances With Banks				
-In Current Accounts*	8,597.29		5,863.52	
-Fixed Deposit (With Maturity Upto 3 Months)**	3,849.64	**12,446.93**	19,671.90	25,535.42
Cash on Hand		**0.01**		-
Total		**12,446.94**		25,535.42

Note No. 2.16 (ii)

(Amount in ₹ Lakhs)

other Bank Balances	As at 31st March 2021	As at 31st March 2020
Fixed Deposits # ** (With Maturity More Than 3 Months but less than 12 months)	**17,357.44**	6,685.63
Total	**17,357.44**	6,685.63

*Out of the above Balance in Current Account ₹ 7,748.59 Lakhs (previous year ₹ 3,711.71 Lakhs) is held as deposit on behalf of client.

**Out of the above Balance in Fixed Deposits ₹ 20,539.89 Lakhs (previous year ₹ 25,222.16 Lakhs) is held as deposit on behalf of client. As on 31.03.2021 Company has pledged fixed deposits amounting to ₹ 30.00 Lakhs (Previous year ₹ NIL) with clients/others on account of earnest money deposit/security deposit.

As on 31.03.2021 Company has pledged fixed deposits amounting to ₹ 288.44 Lakhs (Previous year ₹ 308.07 lakhs) with clients/others on account of earnest money deposit/security deposit/Sales Tax Department.

Note No. 2.17

(Amount in ₹ Lakhs)

Short Term Loan & Advances	As at 31st March 2021		As at 31st March 2020	
(Unsecured, Considered Good Unless Stated Otherwise)				
Advance for Works:				
-Mobilization Advance Secured Against BG	**4,528.55**		5,360.07	
-Secured Against Material	**442.57**		910.38	
-Other Advances	**1,088.71**	**6,059.83**	989.19	7,259.64
Advance Tax /TDS Recoverable		**2.86**		45.83
Indirect Tax (Recoverable, Input Tax Credit, Advance)		**2,497.38**		4,789.85
Staff Loans & Advances		**24.70**		41.76
Security, Retention & Earnest Money Receivable		**11,040.20**		3,180.23
Total		**19,624.97**		15,317.31

Note No. 2.18

(Amount in ₹ Lakhs)

Other Current Assets	As at 31st March 2021	As at 31st March 2020
Interest Accrued but not due on Bank Deposits	**50.73**	163.85
Prepaid Expenses	**277.02**	562.11
Recoverable from Clients, Vendors & Others	**11,545.10**	10,828.96
Recoverable from Subsidiary Company	**-**	-
Unbilled Revenue	**24,937.04**	27,748.35
Total	**36,809.89**	39,303.27

Note No. 2.19

(Amount in ₹ Lakhs)

Revenue From Operations	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Value of Work Done	**66,638.98**	1,32,511.07
Other Operating Income	**13,923.19**	1,147.88
Total	**80,562.17**	1,33,658.95

Note No. 2.20

(Amount in ₹ Lakhs)

Other Income	For the Year ended 31st March 2021		For the Year ended 31st March 2020	
IInterest Income earned on				
Deposits with Bank	**53.41**		78.61	
Staff Advances	**0.85**		1.53	
Other (Sub Contractor /Clients /I. T. Refund)	**199.41**	**253.67**	401.90	482.04
Other non-Operating Income				
Unspent Liabilities/ Balances Written Back	**14.72**		32.52	
Miscellaneous Income	**243.56**		158.73	
Reversal of Provision for Expected Loss as per AS-7	**-**	**258.28**	-	191.25
Total		**511.95**		673.29

Note No. 2.21

(Amount in ₹ Lakhs)

Operating Expenses	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Civil, Mechanical, Electrical Works	**60,474.35**	1,19,431.74
Design & Consultancy Charges	**438.64**	2,310.16
Other Direct Expenditure	**681.00**	626.97
Provision for Expected Loss (As per AS-7)	**(326.81)**	(220.72)
Claims Paid	**13,608.24**	1,048.89
Royalty	**1.23**	0.92
Total	**74,876.65**	1,23,197.96

Note No. 2.22

(Amount in ₹ Lakhs)

Employee Benefits Expenses	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Salary & Allowances #	**5,919.02**	5,935.92
Contribution to Provident & Gratuity Funds $	**566.91**	598.65
Staff Welfare Expenses *	**761.18**	802.18
Total	**7,247.11**	7,336.75

Salary & Allowances includes a provision of ₹ NIL (previous year ₹ 192.76 Lakhs) created on account of Pay Revision (3rd PRC).

$ Includes an amount of ₹ 35.40 Lakhs (previous year ₹ 25.33 Lakhs) on account of interest shortfall of Providend Fund Trust.

* Includes medical expenses, leave encashment, long service award and other staff welfare expenses.

Note No. 2.23

(Amount in ₹ Lakhs)

Finance Cost	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Interest Paid to		
- Bank	**791.34**	610.41
- Others	**240.97**	242.00
Total	**1,032.31**	852.41

Note No. 2.24

(Amount in ₹ Lakhs)

Other Expenses	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Printing & Stationery	**55.84**	65.11
Rates & Taxes	**341.92**	50.28
Postage & Telecommunication	**110.76**	132.42
Repair & Maintenance		
Office	**355.26**	290.75
Building	**19.39**	18.94
Other Fixed Assets	**0.23**	0.55
Computer Expenses	**63.11**	56.86
Water Power & Fuel charges	**82.17**	87.98
Tendering Expenses	**25.20**	27.10
Advertisement & Publicity	**2.40**	8.70
Legal & Professional Charges	**140.58**	228.58
Advisors On Contract	**15.24**	13.20
Insurance	**35.82**	34.18
Entertainment	**12.80**	11.37
Bank Charges	**135.59**	82.82
Vehicle Running & Maintenance	**22.74**	20.63
Manpower Development	**1.11**	4.83
Loss on sale of Fixed Assets	**1.56**	0.79
Sponsorship Fee	**2.15**	-
Travelling & Other Incidental Expenses (Domestic) $	**450.40**	511.39
Travelling & Other Incidental Expenses (Foreign)	**3.73**	65.06
CSR & Sustainability *	**1.33**	-
Auditor's Remuneration @	**20.16**	21.10
Business Promotion	**13.26**	27.60
Office Rent	**135.97**	119.53
Membership & Subscription Fee	**3.57**	2.12
Filing & Registration Fee	**6.31**	3.85
Provision for Doubtful Debts, Loans & Advances & Others	**-**	27.10
Amounts Written off for Doubtful Recovery	**-**	-
Foreign Exchange Variation (Gain)/ Loss	**(18.24)**	(27.79)
Miscellaneous Expenses	**30.88**	53.26
Total	**2,071.24**	1,938.31

$ Travelling and other incidental expenses includes ₹ 47.40 Lakhs towards site living hardship expenses (previous year ₹ 51.67 Lakhs) and travelling expenses of directors ₹ 3.76 Lakhs (previous year ₹ 21.61 Lakhs).

* In accordance with provisions of Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average of its net profit from the immediately preceding three financial years on Corporate Social Responsibility (CSR). Gross amount spent by the Company for CSR and Sustainability during the year is ₹ 1.33 Lakhs (being amount carried forward from budgets of previous year).

@ Details in respect of payment to auditors:

(Amount in ₹ Lakhs)

Auditors' Remuneration	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Audit Fee #	**16.66**	17.01
Tax Audit #	**2.94**	3.13
Other Services (Certification fee)	**0.20**	0.03
Other Expenses	**0.37**	0.93
Total	**20.17**	21.10

Auditors Remuneration are recorded without GST amount.

Note No. 2.25

(Amount in ₹ Lakhs)

Prior Period Adjustments (Net)	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Income		
Operating Income	**-**	-
Other Income	**-**	17.61
Sub-Total of Prior Period Income (A)	**-**	17.61
Less: Expenses		
Operating Expenses	**116.26**	77.40
Employee Remuneration and Benefits	**-**	-
Depreciation	**-**	-
Others	**-**	43.64
Sub-Total Prior Period Expenses(B)	**116.26**	121.04
Total Prior Period Expenses (Net) (B-A)	**116.26**	103.43

Note No. 2.26

(Amount in ₹ Lakhs)

	Contingent Liabilities and Commitments	31st March 2021	31st March 2020
	Claims against the company not acknowledged as debts :		
1	In respect of legal and arbitration:		
a	Claims pending for adjudication, amount thereof has been taken wherever quantified or reasonably ascertainable.*	**48,305.68**	46,899.07
b	In respect of cases where awards are published in favor of company but defendants have gone to appeal.*	**6,253.07**	6,417.29
2	In respect of Income Tax/ Sales Tax / Works Contract Tax/ Service Tax demand in respect of completed assessments under dispute/appeals.	**5,548.42**	5,366.10
3	In respect of Guarantees issued on behalf of Client	-	-

*Against the above, the Company has corresponding counter claims.

Note No. 2.27

Estimated amount of contracts remaining to be executed on Development of Intangible Asset and not provided for ₹ 1.57 Lakhs (previous year ₹ 53.96 Lakhs) on account of implementation of ERP and Nil amount has been capitalised during FY 2020-21 in this respect.

Note No. 2.28

Expenditure in Foreign Currency:

(Amount in ₹ Lakhs)

Sl.No.	Particulars	Year ended 31.03.21	Year ended 31.03.20
1	Operational Expenditure	**26,015.43**	62,647.16
2	Professional & Consultancy Charges	**47.24**	2,121.36
3	Foreign Exchange Fluctuation Loss	**-**	9.52
4	Purchase of Fixed Assets	**1.06**	4.33
5	**Administrative & Other Expenses**		
a	Travel	**53.61**	131.92
b	Tendering Expenses	**-**	-
c	Others	**1,133.09**	694.33
	TOTAL	**27,250.42**	65,608.62

Earning in foreign currency:

(Amount in ₹ Lakhs)

Sl.No.	Particulars	Year ended 31.03.21	Year ended 31.03.20
1	Work Receipts	**27,520.77**	71,410.09
2	Interest Income	**16.98**	105.41
3	Foreign Exchange Fluctuation Gain	**27.60**	37.42
4	Others	**0.08**	10.14
	TOTAL	**27,565.42**	71,563.06

Foreign exchange remitted from Oman ₹ 1,249.66 Lakhs equivalent USD 17.00 Lakhs during the financial year 2020-21 (previous year ₹ 3,440.42 Lakhs equivalent USD 49.50 Lakhs).

Note No. 2.29

a) Company has utilised non fund based credit limits of ₹ 47,069.90 Lakhs (Previous year ₹ 63,804.80 Lakhs) against sanctioned limit of ₹ 84,879.80 Lakhs (previous year ₹ 71,379.80 Lakhs) from various banks without any security. This includes ₹ 7,590.00 Lakhs towards project to be executed in Myanmar by EPI-C&C JV, which includes ₹ 4,554. 00 Lakhs towards bank guarantee issued on behalf of its lead partner i.e. C&C Constructions Limited and ₹ 3,036.00 Lakhs on its own behalf.

b) In lieu of BG provided by EPIL for ₹ 4,554.00 Lakhs on behalf of C&C Constructions Limited in Myanmar Project, EPIL has received ₹ 1,906.64 Lakhs and balance is secured against work done in Oman. C&C Construction Limited our 60% stake partner in Myanmar joint venture “EPI - C&C JV (unincorporated)” and our main contractor in our Oman Project is currently facing insolvency proceedings in NCLT and matter is at advance stage. Outcome and its financial impact on EPIL’S Financial Statements is not ascertainable.

Note No. 2.30

Disclosure as per AS-17

The company has identified two primary segments namely Domestic and Foreign. Accordingly, the segment information is as under-

Primary Segment Information (Geographic)

(Amount in ₹ Lakhs)

Particulars	Current Year (2020-21)				Previous Year (2019-20)			
	Domestic	Foreign	Un-allocated	Total	Domestic	Foreign	Un- allocated	Total
Type of Business	**Construction**				**Construction**			
Revenue from Operation	53,041.40	27,520.77	-	80,562.17	62,248.86	71,410.09	-	1,33,658.95
Other Income	154.18	17.05	340.72	511.95	476.48	115.55	81.26	673.29
Total Income	**53,195.58**	**27,537.82**	**340.72**	**81,074.12**	62,725.34	71,525.64	81.26	1,34,332.24
Results								
Profit before Interest, Depreciation and Tax	(1,214.98)	319.80	(2,341.96)	(3,237.14)	66.65	3,529.03	(1,839.90)	1,755.78
Interest	240.97	-	791.34	1,032.31	242.00	-	610.41	852.41
Depreciation	42.24	5.60	51.52	99.36	58.56	6.30	44.26	109.12
Profit before Tax	(1,498.18)	314.20	(3,184.83)	(4,368.81)	(233.90)	3,522.73	(2,494.57)	794.26
Profit After Tax	(1,498.18)	248.77	(3,724.90)	(4,974.31)	(233.90)	2,913.13	(2,587.20)	92.03
(Capital Expenditure Addition to Tangible and Intangible Assets)	27.15	1.06	73.06	101.27	28.72	4.33	56.77	89.82
Other Information	**As at 31st March 2021**				As at 31st March 2020			
Total Assets	1,26,217.89	45,032.40	11,738.54	1,82,988.83	1,21,437.27	59,457.06	14,989.71	1,95,882.04
Property, Plant and Equipment & Intangible Assets (Carrying Amount)	141.70	25.77	631.90	799.36	241.53	32.76	529.23	803.52
Total Liabilities	1,15,431.08	44,795.93	7,907.38	1,68,134.38	1,01,626.70	58,737.33	15,662.65	1,76,025.68

Note No. 2.31

Disclosure pursuant to requirements of Accounting Standard 7 “Construction Contracts”

(Amount in ₹ Lakhs)

Sl. No.	Particulars	As at 31.03.2021	As at 31.03.2020
1	Revenue from operations	80,562.17	1,33,658.95
2	Contract costs incurred and profit recognised upto the reporting date	10,72,521.64	12,16,745.13
3	Advances received	40,469.83	33,601.62
4	Gross amount due from customers for contract work- presented as an asset (Unbilled Revenue)	24,937.04	27,748.35
5	Gross amount due to customers for contract work – presented as a liability. (Advance Revenue for Work)	5,880.27	5,837.56
6	Retention money Receivable	25,027.90	24,264.55

Note No. 2.32

Details of Employee benefits as per AS-15:-

i) Changes in defined benefit obligation

Particulars	Gratuity	Long term compensated absences	Long service award	Post-retirement medical benefit	Post-retirement Travel Allowance
	(Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)
Discount rate	6.50% *(6.60%)*	6.50% (6.60%)	6.50% (6.60%)	6.50% (6.80%)	6.50% (6.60%)
Rate of increase in compensation levels/ Premium Inflation/ Cost of Travel	3.00%	3.00%	-	3.00%	3.00%
Expected rate of return on assets	6.50% *(6.60%)*	- -	- -	- -	- -
Retirement Age *	60 years	60 years	60 years	60 years	60 years
Mortality Table	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	Pre-retirement: IALM(2012-14) Ultimate Post Retirement:LIC (1996-98) Ult	IALM (2012-14) Ultimate
Age*	Employee Turnover (%)				
Upto 35 Years	3.00%	3.00%	3.00%	3.00%	3.00%
From 36 to 45 Years	2.00%	2.00%	2.00%	2.00%	2.00%
Above 46 Years	1.00%	1.00%	1.00%	1.00%	1.00%

* Same as previous year

(Amount in ₹ Lakhs)

Particulars	Gratuity	Long term compensated absences	Long service award	Post-retirement medical benefit	Post-retirement Travel Allownace
	(Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)
Projected Benefit Obligation at the beginning of year	1,669.24 *(1,728.93)*	1,462.65 *(1,506.23)*	24.09 *(18.64)*	1,705.57 *(1,850.47)*	5.52 *(3.56)*
Current service cost	86.77 *(91.71)*	98.34 *(103.69)*	0.95 *(0.85)*	32.62 *(36.41)*	0.26 *(0.27)*
Interest cost	101.45 *(117.32)*	88.77 *(103.59)*	1.44 *(1.22)*	111.86 *(137.59)*	0.18 *(0.20)*
Actuarial (Gain)/loss	17.48 *(46.12)*	142.23 *(161.21)*	1.28 *((9.88))*	45.75 *((35.66))*	(0.75) *(1.96)*
Acquisition adjustment	- *9.69*	- -	- -	- -	- -
Benefits Paid	(203.53) *((324.53))*	(194.48) *((412.08))*	(4.85) *((6.49))*	- *((283.24))*	(0.90) *((0.46))*
Past Service Cost	—	—	—	—	—
	—	—	—	—	—
Projected Benefit Obligation at end of year	1,671.42 *(1,669.24)*	1,597.51 *(1,462.65)*	22.91 *(24.09)*	1,895.80 *(1,705.57)*	4.32 *(5.52)*

ii) Changes in the Fair Value of Plan Assets (Gratuity)

(Amount in ₹ Lakhs)

Particulars	2020-21	2019-20
	(Funded)	(Funded)
Fair value of Plan Assets as at beginning of the year	1,671.42	1,699.77
Expected Return on Plan Assets	94.66	118.58
Actual Contributions	144.32	29.16
Actuarial Gain / (Loss)	(3.12)	(7.75)
Benefits Paid	(203.53)	(324.53)
Acquisition Adjustment	-	9.69
Fair value of Plan Assets as at end of the year	1,557.25	1,524.92

iii) **Amount recognized in the Balance Sheet**

(Amount in ₹ Lakhs)

Particulars	Gratuity	Long term compensated absences	Long service award	Post-retirement medical benefit	Post-retirement Travel Allownace
	(Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)
Defined benefits obligation as at end of year	1,671.42 *(1,669.24)*	1,597.51 *(1,462.65)*	22.91 *(24.09)*	1,895.80 *(1,705.57)*	4.32 *(5.52)*
Fair value of plan assets as at end of year	1,412.92 *(1,524.92)*	- -	- -	- -	- -
Funded Status Asset / (Liability)	(258.50) *((144.32))*	(1,597.51) *((1462.65))*	(22.91) *((24.09))*	(1,895.80) *((1705.57))*	(4.32) *((5.52))*
Net (Liability)/ Asset recognized in Balance Sheet	(258.50) *((144.32))*	(1,597.51) *((1462.65))*	(22.91) *((24.09))*	(1,895.80) *((1705.57))*	(4.32) *((5.52))*

iv) **Expenses recognized in the Profit and Loss Account**

(Amount in ₹ Lakhs)

Particulars	Gratuity	Long term compensated absences	Long service award	Post-retirement medical benefit	Post-retirement Travel Allownace
	(Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)
Current Service cost	86.77 *(91.71)*	98.34 *(103.69)*	0.95 *(0.85)*	32.62 *(36.41)*	0.26 *(0.27)*
Interest cost	101.45 *(117.32)*	88.77 *(103.59)*	1.44 *(1.22)*	111.86 *(137.59)*	0.18 *(0.20)*
Expected return on Plan Assets	(94.66) *((118.58))*	- -	- -	- -	- -
Net actuarial (Gain)/ Loss recognized in the period	20.60 *(53.86)*	142.23 *(161.21)*	1.28 *(9.88)*	45.75 *((35.66))*	(0.75) *(1.96)*
Past Service Cost	- -	- -	- -	- -	- -
Expenses recognized in the P & Loss A/c	114.17 *(144.32)*	329.34 *(368.49)*	3.67 *(11.95)*	190.23 *(138.34)*	(0.31) *(2.42)*

v) Comparative Data of last five years - Gratuity

(Amount in ₹ Lakhs)

S. No.	Particulars	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017
a)	Defined benefit obligation at the end of period	**1,671.42**	1,669.24	1,728.93	1,874.04	1,283.39
b)	Plan asset at the end of period	**1,412.92**	1,524.92	1,699.77	1,196.01	1,240.13
c)	Funded Status	**(258.50)**	(144.32)	(29.16)	(678.03)	(43.26)
d)	Experience adjustment on plan Liabilities (loss) / gain	**(258.50)**	(144.32)	(29.16)	(678.03)	(43.26)

vi) Comparative Data of last five years - Leave encashment

(Amount in ₹ Lakhs)

S. No.	Particulars	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017
a)	Defined benefit obligation at the end of period	**1,597.51**	1,462.65	1,506.23	1,291.87	1,347.23
b)	Fair value of Plan asset at the end of period	**-**	-	-	-	-
c)	Funded Status	**(1,597.51)**	(1,462.65)	(1,506.23)	(1,291.87)	(1,347.23)
d)	Net (Liability)/Asset recognized in Balance Sheet	**(1,597.51)**	(1,462.65)	(1,506.23)	(1,291.87)	(1,347.23)

vii) Comparative Data of last five years - Long Service Award

(Amount in ₹ Lakhs)

S. No.	Particulars	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017
a)	Defined benefit obligation at the end of period	**22.91**	24.09	18.64	30.66	44.88
b)	Fair value of Plan asset at the end of period	**-**	-	-	-	-
c)	Funded Status	**(22.91)**	(24.09)	(18.64)	(30.66)	(44.88)
d)	Net (Liability)/Asset recognized in Balance Sheet	**(22.91)**	(24.09)	(18.64)	(30.66)	(44.88)

viii) Comparative Data of last five years - Post Retirement Medical Benefits

(Amount in ₹ Lakhs)

S. No.	Particulars	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017
a)	Defined benefit obligation at the end of period	**1,895.80**	1,705.57	1,850.47	1,760.56	1,846.51
b)	Fair value of Plan asset at the end of period	**-**	-	-	-	-
c)	Funded Status	**(1,895.80)**	(1,705.57)	(1,850.47)	(1,760.56)	(1,846.51)
d)	Net (Liability)/Asset recognized in Balance Sheet	**(1,895.80)**	(1,705.57)	(1,850.47)	(1,760.56)	(1,846.51)

ix) Comparative Data of last five years - Leave Travel Concession

(Amount in ₹ Lakhs)

S. No.	Particulars	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017
a)	Defined benefit obligation at the end of period	**4.32**	5.52	3.56	2.97	7.85
b)	Fair value of Plan asset at the end of period	**-**	-	-	-	-
c)	Funded Status	**(4.32)**	(5.52)	(3.56)	(2.97)	(7.85)
d)	Net (Liability)/Asset recognized in Balance Sheet	**(4.32)**	(5.52)	(3.56)	(2.97)	(7.85)

Figures of previous year are indicated in italics & brackets (*).

The company provides for gratuity, long term compensated absences, post-retirement medical benefits, long service award and one time post retirement travelling allowance on actuarial basis as per provision of AS-15.

Note No. 2.33

Related Party Disclosures

In accordance with Accounting Standard-18 "Related Party Disclosures" specified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts), Rules 2014, the names of related parties along with aggregate amount of transactions as identified and certified by the management are given as follows-

(i) Shri R. P. Singh, GM (Finance) Bharat Heavy Electricals Ltd. has been entrusted the Additional Charge of the Post of Director (Finance) for a period of six (6) months with effect from 02.06.2020 or till the appointment of regular incumbent to the post or until further orders, whichever is earlier. He has been associated with the Company till 15.10.2020.

(ii) Key Management Personnel with whom there were transactions during the year:

- Shri. D. S. Rana, Chairman & Managing Director (w.e.f. 19.09.2019)
- Shri H. N. Thakur, Director (Projects) (w.e.f. 21.10.2019)
- Shri R. P. Singh, Director (Finance) (w.e.f. 02.06.2020 upto 15.10.2020)
- Shri P M Chandraiah, Director (Finance) (w.e.f. 16.10.2020) and Chief Financial Officer (w.e.f. 21.11.2020).
- Shri. N. K. Sharma, Chief Financial Officer (upto 20.11.2020)
- Shri Nitesh Kumar Goyal, Company Secretary (w.e.f. 17.07.2020)
- Smt. Deepika Mehta, Company Secretary (upto 01.06.2020)

iii) EPI Urban Infra Developers Limited (EPIUIDL) was incorporated as Subsidiary of EPIL on 19.5.2016. The summary winding up petition under Section 361 of the Companies Act 2013 in respect of EPIUIDL is pending for approval with Regional Director.

Details of Directors/CEO in EPIUIDL, Subsidiary of EPI during the year 2020-21:

1. Shri Kapil Tara, ED (WRO), EPI (under suspension from EPI w.e.f. 20.03.2017) as Part Time CEO (KMP), EPIUIDL superannuated on 30.09.2020.
2. Shri Nandkishor Motilal Shah, Part Time Director representing BUIDPL.
3. Shri Baman Keki Dinshah Bamanji Mehta, Part Time Director representing DCPL (resigned on 19.08.2021).

Details of transactions with subsidiary Company:

(Amount in ₹ Lakhs)

Particulars	As on 31st March 2021	As on 31st March 2020	Nature
Opening Balance (Amount Recoverable) {A}	2.13	2.13	Debit
Reimbursement of Expenses on behalf of Subsidiary {B}	-	-	Debit
Amount Received from Subsidiary {C}	-	-	Credit
Closing Balance (Amount Recoverable) {D} [D = A + B - C]	2.13	2.13	Debit

iv) A Joint Venture "EPI-C&C JV" (Unincorporated) was formed on 2nd August 2017 between Engineering Projects (India) Ltd and C&C Construction Limited for Construction of Two Lane Road on NH specification from Paletwa to India-Myanmar Border (Zorinpui) from Km 0.00 to KM 109.20 on EPC mode in Chin State of Myanmar having participating interest of 60% for C&C Construction Ltd and 40% for Engineering Projects (India) Ltd. C&C Construction Ltd will act as lead partner of JV. "EPI-C&C JV" has been treated as jointly controlled operation.

v) The following transactions were carried out with related parties in ordinary course of business

Details of Directors Remuneration

(Amount in ₹ Lakhs)

Particulars	2020-21	2019-20
Salary*	**96.58**	55.97
Contribution to provident fund	**7.58**	4.67
House rent/Lease Rent	-	-
Medical Expenses	**7.95**	7.70
Sitting fees	-	1.40

*Shri R. P. Singh Director-Finance (Addl. Charge) was not employed in the company and no salary/allowances have been paid to him during the FY 2020-21.

Note No. 2.34

Quantitative details for the stock of construction material are given below:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Quantity (MT)	Value (₹ in Lakhs)	Quantity (MT)	Value (₹ in Lakhs)
CEMENT	-	-	-	-
STEEL	38.22	17.85	253.20	102.17
STEEL PIPES	-	-	-	-

Note No. 2.35

As decided by Cabinet Committee on Economic Affairs (CCEA), the process of strategic disinvestment of Engineering Projects (India) Ltd. is in progress. The activity of Strategic Disinvestment is carried out by GOI wherein all the committees' constitution, selection of intermediaries such as TA/LA etc. was appointed by DIPAM/DHI.

Presently the activity of Asset monetization (under Disinvestment scheme) in accordance with the DIPAM Policy/guidelines/framework is in process.

Note No. 2.36

Disclosure under Accounting Standard-29 on "Provisions, Contingent Liabilities and Contingent Assets":

(Amount in ₹ Lakhs)

Particulars	Opening Balance	Provision made during the year	Paid/Adj. during the year	Provision written back	Closing Balance
(i)	(ii)	(iii)	(iv)	(v)	(vi)=(ii+iii-iv-v)
Project Contingencies*	3,314.07	-	-	-	**3,314.07**
Employee Benefits	3,342.15	637.41	324.16	0.31	**3,655.10**
Pay Revision (3rd PRC)	693.08	-	11.13	-	**681.96**
Total	**7,349.31**	**637.41**	**334.88**	**0.31**	**7,651.12**
Previous Year	7,430.82	692.63	773.73	-	7,349.31

* Provision made for receivable amount on project basis (net of payable).

Note No. 2.37

Management has made an assessment and found that there is no indication of any impairment in the value of fixed assets. Hence no provision is required to be made as on 31st March 2021.

Note No.2.38

In accordance with provisions of Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average of its net profit from the immediately preceding three financial years on Corporate Social Responsibility (CSR). Gross amount spent by the Company for CSR and Sustainability during the year is ₹ 1.33 Lakhs (being amount carried forward from budgets of previous year).

Note No. 2.39

Basic and diluted earnings per share are computed by dividing net loss after tax ₹ 4974.31 Lakhs (previous year net profit after tax ₹ 92.03 Lakhs) by 3,54,22,688 fully paid up equity share of ₹ 10 each.

	2020-21	2019-20
Basic and diluted earnings per share (₹)	**(14.04)**	0.26

Note No. 2.40

A subsidiary Company of EPI was incorporated on 19th May 2016 as "EPI Urban Infra Developers Limited" (EPIUIDL) with paid up capital of Rs. 10 lakhs consisting of equity participation of 51% by EPI, 39% by M/s. Bharat Urban Infra Developers Pvt. Ltd., Solapur (BUIDPL) and 10% by M/s Darashaw & Co. Pvt. Ltd., Mumbai (DCPL), for development of land parcels etc.

The Subsidiary Company is non-operational since its incorporation. Being Government Company, proposal for appointment of Directors including approval for Interim Board comprising first directors was submitted for Government approval and in the meantime, Government initiated action for strategic disinvestment of EPI. Since Government did not support formation of the subsidiary, EPIL approved closure of EPIUIDL through voluntary liquidation/voluntary winding subject to the approval by the Shareholders of EPIUIDL and Administrative Ministry agreed for closure of EPIUIDL. However the closure through voluntary liquidation was not approved by BUIDPL on 01st AGM of EPIUIDL held on 20.12.2017. Subsequent efforts of EPI to offer its shares to the other two shareholders was not successful. Board of EPI has decided to approach the concerned authorities for other options of closure/exit.

In view of this during F.Y. 2016-17, 100% provision has already been made against the investment of ₹ 5.10 Lakhs in subsidiary company.

Note No. 2.41

Central Bureau of Investigation (CBI) has registered 3 cases and filed FIRs against some employees of EPI out of which 2 cases have been registered during the year 2017-18 and 1 case in F.Y. 2016-17. The cases are in respect of alleged illegal gratification taken by the accused employees of EPI for award of tenders. EPI is not named as party in the FIRs and no financial impact on its financial statements is envisaged.

However, as on date, investigation in above matter is still in progress.

Note No. 2.42

National Water Supply & Drainage Board (NWSDB), Srilanka (client) rejected HDPE pipes supplied by Chinese manufacturer/ supplier against the awarded project in Vavuniya water supply scheme to EPIL due to poor quality of pipes and asked EPIL to replace the same with good ones. EPIL released the payment to Chinese supplier, however EPIL in turn got its (around 96%) payment from NWSDB Srilanka as per terms of agreement. Claim of equivalent ₹ 18.78 crore has been lodged in Arbitration against the manufacturer on 31.10.2016. The arbitrator awarded the claim vide award dated 29.01.2018 in favour of EPIL for ₹ 1725 Lakhs (approximate) and now EPIL proceeded to Commercial High Court of Colombo for conversion of Arbitration into decree for invocation of same in China from Chinese manufacturer (Jiangsu Qianlong New Material Co Ltd.). Expected loss on account of replacement of rejected pipes and time & cost overrun is of ₹ 1667 Lakhs (approximate) (considering residual value of the pipes) till the completion of the project.

Note No. 2.43

The balances of Trade receivables, loans & advances, client's advances, retention money, security deposits receivable/payable and Trade payable are subject to receipts of confirmation and reconciliation. In the opinion of the management, the impact of it on the financial statements is not significant.

Note No. 2.44

In the opinion of the management, the value of Current assets on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

Note No. 2.45

a) Total amount receivable from M/s Uranium Corporation of India Ltd (UCIL) on account of Trade receivable, Retention & other recoverable stands at ₹ 2,368.96 Lakhs as on 31.03.2021. The above amount is more than 10 years old & is under constant persuasion for realization. Pending final settlement, based on experience/progress/assessment of the matter by the management, a provision of ₹ 443.77 Lakhs is made upto 31.03.2021. During the year 2020-21, various communications for recovery have been made with UCIL. The outcome of the same may come in this current FY i.e. 2021-22.

b) Bihar Police Academy Rajgir Project, was terminated by the client in the month of April 2017. The total amount recoverable from sub agency was ₹ 4,306.22 Lakhs as on 31.03.2021, the same is shown as 'Recoverable from Client, Vendors & Others' under 'Other Non-Current Assets' in Note 2.12. The matter is under arbitration both with client & sub agency.

c) During the financial year 2018-19, a part of the total contract valuing ₹ 8,329.77 Lakhs relating to Design, Supply, Erection & Commissioning of plant equipments for 5 LLPD dairy Plant, 30 MTPD powder plant complete & services & laboratory set up at Dehri on Sone, was terminated by client. Total amount of ₹ 430.50 Lakhs, excess recovered against mobilization advance by client has been shown under 'Other Non-Current Assets- Recoverable from Client Vendors & Others' in Note 2.12. The matter is under arbitration.

Note No. 2.46

In respect of work awarded to the company in capacity of Project Management Consultant (PMC) with scope of work involving, inter alia ,appointment of contractors for construction activities, monitoring and supervision of contractors, payment to contractors out of funds provided by the Employer, the company recognizes entire Cost of work of the Contractor including the PMC fees as its turnover under revenue head "Work Done" and correspondingly Cost of Work of the Contractor is recognized under Works Costs. Assets and Liabilities associated with such projects and held in trust on behalf of the Employer is recognized as Assets and Liabilities of the company in its Balance Sheet under respective heads. This is being following consistently on a consistent basis by the company treating its contracts as Cost plus Contract under Accounting Standard -7.

Note No. 2.47

Head office expenditure on account of salary and other related costs amounting to ₹ 402.71 Lakhs (₹ 1,248.65 Lakhs in previous year) has been allocated to Oman during the FY 2020-21 for incorporating in Oman branch accounts for claiming the deduction of expenses on account of the same in accordance with the Oman Income Tax rules and regulations.

Note No. 2.48

The company has taken certain Office and residential premises on operating lease which are cancellable by giving appropriate notices as per respective agreements. During the year an amount of ₹ 203.33 Lakhs (₹ 193.04 Lakhs in previous year) has been charged towards these cancellable operating leases.

The company has taken certain assets like car on non – cancellable operating leases. During the year an amount of ₹ 13.52 Lakhs (Previous year ₹ 8.24 Lakhs) has been paid towards these non- cancellable operating leases. The future minimum lease payments in respect of these leases are as follows:

i) Payable not later than 1 year ₹ 16.74 Lakhs (Previous year ₹ 9.55 Lakhs)

ii) Payable later than 1 year and not later than 5 years ₹ 33.15 Lakhs (Previous year ₹ 13.14 Lakhs).

iii) Payable later than 5 years Nil. (Previous year Nil)

Note No. 2.49

Disclosure in respect of Joint Venture;

S. No.	Name of the Joint Operations (Unincorporated)	Partners and Country of Origin	Participating Interest (in %) as at 31st March	
			2021	2020
1.	EPI-C&C JV	C&C Construction Limited, India. Engineering Projects (India) Limited, India.	60% 40%	60% 40%

Note No. 2.50

Dividends payable to the shareholders are recognized in the period in which they are approved by the shareholders. During this year, Company has paid an amount of ₹ 27,61,028/- (30 % of PAT i.e. ₹ 92,03,428/-) (i.e. Rs. 0.08 per share of Face value Rs. 10 each) as dividend to its shareholders for the FY 2019-20.

Note No. 2.51

The previous year figures have been reclassified, regrouped and recast to conform to current year's classification/ grouping.

Note No. 2.52

In early 2020, the existence of COVID-19 was confirmed and since then the virus has spread across the globe necessitating the World Health Organization (WHO) to declare it a global pandemic. The pandemic has caused disruption to businesses and economic activity across the globe.

This year, the COVID-19 pandemic and national lockdown severely impacted the social sector as much as the economy. Health, Infrastructure, Construction, Education, Skilling were among the most seriously impacted sectors. It is evident that communicable diseases such as COVID-19 have the potential to inflict severe economic and financial costs on Indian Economy. Because of high transportation connectivity, globalization, and economic interconnectedness, it has been extremely difficult and costly to contain the virus and mitigate the importation risks once the disease started to spread in multiple locations.

The EPIL recorded revenues of ₹ 80562.17 Lakhs during FY2020-21, registering a decline of 39.73%. The decline was mainly due to the slowdown of project execution affected due to lockdown-related disruptions in first half of the year. The Company will continue to evaluate the pandemic-related uncertainty arising from the on-going second wave and its assessment.

As per our report of even date attached

For and on behalf of the Board of Directors

For GSK & Associates
Chartered Accountants
Firm Registration No.013838N /N500003

Sd/-
(RAJ PAL SINGH)
Director (Finance)
DIN: 08750557

Sd/-
(DHIRENDRA SINGH RANA)
Chairman cum Managing Director
DIN: 07022825

Sd/-
(CA Sanjay Kumar Gupta)
Designated Partner
Membership No. 093056
Place: New Delhi
Dated: 22nd November, 2021
UDIN:21093056AAAALJ8990

Sd/-
(KAPIL MOHAN SAXENA)
ED (Finance) & CFO

Sd/-
(NITESH KUMAR GOYAL)
Company Secretary

Independent Auditor's Report

To The members of

ENGINEERING PROJECTS (INDIA) LTD

Revised Report on the Audit of the Consolidated Financial Statements

This Audit Report is in supersession of our earlier Audit Report dated 22nd November 2021 on the accounts as at 31st March 2021 of "Engineering Projects (India) Limited" has been revised to give effect to the Provisional comments issued by Indian Audit and Accounts department, Office of the Principal Director of Audit (I&CA), New Delhi vide letter dated 16.12.2021.

We have audited accompanying Consolidated financial statements of "**Engineering Projects (India) Limited**" (hereinafter referred to as "The Holding Company") and its subsidiary (the holding company and subsidiary together to as "the group"), and its jointly controlled Operation which comprise Consolidated balance sheet as at March 31,2021, and the consolidated statement of profit and loss, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "the consolidated financial statements)".

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion Section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, profit and loss and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. As per the accounting Policy number 10 trade receivables are considered good for realization upto 10 years therefore provision against doubtful debts is made for dues outstanding more than 10 years, a provision of Rs. 443.77 lakhs is made upto 31.03.2021 against the total recoverable amount of Rs. 2368.96 lakhs from M/s Uranium Corporation of India Ltd (UCIL). Against this receivable, Rs. 746.78 lakhs is pending for payment to sub-contractors. Thus, Net outstanding for which provisioning is required works out to Rs. 1622.18 lakhs. The above amount is more than 10 years old and as per Company's adopted accounting policy for Doubtful debts/Loans and advances, 100% provisioning is required. Management made a provision of Rs 443.77 lakhs up to 31.03.2021. Thus, required provisioning is short by Rs. 1178.41 lakhs.

   Further the company has taken the legal opinion on the said matter from Additional Solicitor General of India during the year under audit and as per the opinion a sum of Rs. 1161.92 Lakhs is undisputed along with other claims raised by the other party which has not been quantified as of now. UCIL has not honored the same till now. Therefore loss of the EPIL is understated by the same amount (Refer to Note No. 2.45).

2. The “amount payable to others” include amount which are pertaining to invoked bank guarantee and which are undisputed thereby should have been credited to “Miscellaneous Income”. However, in the absence of necessary information as regards the status of dispute or otherwise, pertaining to those amount, the same cannot be ascertained relating to eastern regional office.

3. Refer to note 2.11- Long term loans and advances which includes “Advance Tax/TDS Recoverable” amounting to Rs. 3967.88 lakhs and “Indirect Tax (Recoverable, Input Tax Credit, Advance)” amounting to Rs. 2490.28 lakhs. Out of the total, Indirect taxes of Rs. 244.64 lakhs and Advance Tax/Tds recoverable of Rs. 28.84 lakhs were recorded/ uploaded at the time of initial upload of data into SAP System on 31.03.2014 for period pertaining prior to transition period (as explained by management). However documentary evidence for such claim with the revenue department could not be provided to the Regional Office auditor. In absence of the relevant information made available with auditors, we are unable to comment on the correctness, existence, completeness and the recoverability of the same.

4. C&C Construction Limited is 60% stake partner in Myanmar joint venture “EPI - C&C JV (unincorporated)” and main contractor in Company’s Oman Project is currently facing insolvency proceedings in NCLT and matter is at advance stage. Outcome and its financial impact on EPIL’S Financial Statements is not ascertainable.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated 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 together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

We draw attention to following matters:-

1. In respect of the following balances of trade receivables, advances for works, security and retention money, loans and advances and recoverable from clients, vendors and others, positive external confirmations of the balances are not available. Due to non-availability of balance confirmations we are unable to quantify the impact, if any, arising on the financial statements.

Particulars	Amount (Rs. In Lakhs)
Advance for works	6,568.77
Security deposits and retention money	13,674.65
Trade receivables	16,103.24
Other recoverable	30,570.45

However the company sent negative balance confirmations request to all the respective customers but no response was received. Since as per SA 505- External Confirmation, the failure to receive a response to a negative confirmation request either indicate accuracy of amount due or unwillingness of confirming party to confirm the amount. Thereby the accuracy, existence and completeness of said amounts could not be verified. However as per the standards of auditing negative confirmation are an audit evidence thereby we are not qualifying our opinion on basis of above. Refer to note no. 2.43.

2. In respect of the following balances of trade payables, advances received from clients, security deposits and retention money received positive external confirmations of the balances are not available. Due to non-availability of balance confirmations we are unable to quantify the impact, if any, arising on the financial statements.

Particulars	Amount (Rs. In Lakhs)
Trade Payables	40,191.42
Security Deposits, Retention & Earnest Money	26,152.34
Advance received	28,287.64
Other Payable to Clients	741.27

However the company sent negative balance confirmations request to all the respective vendors but no response was received. Since as per SA 505- External Confirmation, the failure to receive a response to a negative confirmation request either indicate accuracy of amount due or unwillingness of confirming party to confirm the amount. Thereby the accuracy, existence and completeness of said amounts could not be verified. However as per the standards of auditing negative confirmation are an audit evidence thereby we are not qualifying our opinion on basis of above. Refer to note no 2.43.

3. The company had the policy of accounting reimbursements to employees for mobile phones purchased by them on their name as additions to fixed assets and capitalizing them under Office Equipment and claiming 100% depreciation on the same till October 2020 and after October 2020 the company expensed off the entire reimbursement to employee in lieu of mobile phones as expense. Further the Companies ACT 2013 nowhere permits charging of 100% depreciation on any asset i.e. recording the asset at zero salvage value. Refer to note no. 2.9 and 2.24.

4. The company has practice of adjusting TDS Recoverable, Advance Tax Paid and TCS Recoverable from Income Tax liability of their respective assessment years only after receipt of final assessment order. However, it is pertinent to note that the said policy leads to overstatement of assets and liability by the amounts accounted as TDS Recoverable, Advance Tax and TCS Recoverable. Since the financial impact of this is not material thereby we are not qualifying our opinion on same. Refer to note no. 2.11 and 2.17.

5. Refer to Note No.2.3, in lieu of BG provided by EPIL of Rs.4554.00 lakhs on behalf of C&C Construction Limited in Myanmar Project, EPIL has received Rs.1906.64 lakhs and the balance is secured against work done in Oman. Outcome and its financial impact is not ascertainable.

6. Central Bureau of Investigation (CBI) has registered 3 cases and filed FIRs against some employees of EPI out of which 2 cases have been registered during the year 2017-18 and 1 case in F.Y. 2016-17. The cases are in respect of alleged illegal gratification taken by the accused employees of EPI for award of tenders. EPI is not named as party in the FIRs and no financial impact on its financial statements is envisaged. Refer to note no. 2.41.

In early 2020, the existence of COVID-19 was confirmed and since then the virus has spread across the globe necessitating the World Health Organization (WHO) to declare it a global pandemic. The pandemic has caused disruption to businesses and economic activity across the globe.

This year, the COVID-19 pandemic and national lockdown severely impacted the social sector as much as the economy. Health, Infrastructure, Construction, Education, Skilling were among the most seriously impacted sectors. It is evident that communicable diseases such as COVID-19 have the potential to inflict severe economic and financial costs on Indian Economy. Because of high transportation connectivity, globalization, and economic interconnectedness, it has been extremely difficult and costly to contain the virus and mitigate the importation risks once the disease started to spread in multiple locations.

The EPIL recorded revenues of ₹ 80562.17 Lakhs during FY2020-21, registering a decline of 39.73%. The decline was mainly due to the slowdown of project execution affected due to lockdown-related disruptions in first half of the year. The Company will continue to evaluate the pandemic-related uncertainty arising from the on-going second wave and its assessment.

(Refer Note No.-2.52)

Our opinion is not qualified on the above matters

Information other than the Consolidated 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the consolidated financial statements and auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

Management's and Those Charged with Governance responsibility for the Consolidated Financial Statements

The Holding 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 Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated cash flows of the Group including its Jointly Controlled Operation in accordance with the accounting principles generally accepted in India, including the, Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error in preparing the Consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 Consolidated 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated 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 Consolidated Financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decision of a reasonable knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and quantitative 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 consolidated 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.

From the matter communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements/ financial information of the following subsidiary and jointly Controlled Operation, whose financial information reflect the details given below of assets as at 31st

March, 2021, Total Revenue and net Cash Flows for the year ended on that date to the extent to which they are reflected in the consolidated financial statements.

Name of the Entities	Assets (in Rs.)	Total Revenues (in Rs.)	Net Cash Flows (in Rs.)
Subsidiary			
EPI Urban Infra Developers Limited Jointly Controlled Operation	4,02,470	Nil	Nil
EPI-C&C Joint Venture* (Unincorporated)			
Total	**4,02,470**	**Nil**	**Nil**

*Jointly controlled operation agreement formed on 2nd August, 2017. Rs. Nil towards Employees Benefit Expenses and Rs.Nil towards Other Expenses are the common expenses to be shared by both the joint venture partner. Therefore, Engineering Projects (India) Ltd has considered its portion 40% of Rs. Nil. Remaining assets and liability of joint venture are related to other joint venture partner i.e. C&C Constructions Limited.

These Financial statements/financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclose included in respect of these subsidiary and Jointly Controlled Operation and our reports in terms of subsection (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and jointly controlled operation, based solely on such unaudited financial statements / financial information are not material to the Group.

The consolidated financial statements of the group include the Group's share of Net Loss of Rs Nil (Previous year Loss Rs Nil) for the year ended 31st March 2021 as considered in the consolidated financial statements in respect of Subsidiary EPI Urban Infra Developers Limited. The Subsidiary company is non operational since its incorporation dated 19th May 2016 and as such the Net Loss has been shown in consolidated statement of Profit & Loss as "Loss from discontinuing operation". However, the Holding Company (EPIL) has fully diminution in the value of investments in the subsidiary in its financial statements.

(Refer to Note No 2.13 to consolidated financial statements)

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the financial information certified by the management.

We did not audit the financial statements/ information of 4(Four) Indian Regional Offices and 3 (Three) Overseas Branches included in the consolidated financial statements of the Company whose financial statements/financial information reflect total assets of Rs. 1,71,254 Lakhs (Rs. 1,80,894 Lakhs) total liabilities Rs 1,60,227 Lakhs (Rs. 1,60,364 Lakhs) as at 31st March 2021 (31st March 2020) and total revenue of Rs.80,733 Lakhs (Rs 1,34,310 Lakhs) for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements/information of these Regional Offices/Branches have been audited by the other Independent branch auditors appointed by Comptroller & Auditor General of India whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

Due to outbreak of novel coronavirus COVID-19 and lockdown imposed by Central/State Governments and the resulting travel restrictions, it was not possible to physically visit the Company and carry out the audit function. Therefore, we have carried out the Audit process using various techniques of online Auditing. We have verified the records/documents/statements received by us through electronics media. We have also received Management Representation Letters where ever necessary. Using such techniques, we have ensured reasonable assurance that the information /records/statement provided to us are free from material misstatements and adhere to the relevant standards.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion proper books of account as required by law has been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

(c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.

d) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.

e) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

f) In terms of notification No. GSR 463 (E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub section 2 of Section 164 of the Act, are not applicable to the Company, being Government Company

g) 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 A**".

h) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:-

    i. The Company have some pending litigation which would impact its financial position. Refer Note No. 2.26 of the consolidated financial statement.

ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

iii. There were no amount which were required to be transferred, to the Investor Education and Protection Fund by the Company.

With respect to the report pursuant to directions issued by Comptroller and Auditor General of India u/s 143(5)(of the Companies Act,2013 for the year ended 31 March 2021 on accounts of Company audited by us, refer our separate Report in "**Annexure B").**

For GSK & ASSOCIATES LLP
Chartered Accountants
(Firm Registration No. :013838N /N500003)

Sd/-
(Sanjay Kumar Gupta)
Designated Partner
(Membership No.: 093056)

Place: New Delhi
Date: 23/12/2021
UDIN:21093056AAAAND4427

Annexure 'A' to the independent auditor's report

Referred to in paragraph 2 sub para (f) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the consolidated financial statements of the Company for the year ended March 31, 2021:

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 **Engineering Projects (India) Limited**, as of March 31, 2021 in conjunction with our audit of the Consolidated Financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of **Engineering Projects (India) Limited**, which are incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Branch's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a unqualified 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 Consolidated 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 details, accurately and fairly reflect the transactions and dispositions of the assets of the Branch;

2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Branch are being made only in accordance with authorizations of management and directors of the Branch; and

3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Branch's assets that could have a material effect on the Consolidated 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changed in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to consolidated financial statements 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 Accountant of India. However we noticed that:-

1) Process of obtaining balance confirmation and Reconciliations from Trade Receivables, Trade Payables and Other Parties needs further improvement.

2) Company is not maintaining tracker for documenting the reason for selection and rejection of business opportunities.

For GSK & ASSOCIATES LLP
Chartered Accountants
(Firm Registration No. :013838N /N500003)
Sd/-
(Sanjay Kumar Gupta)
Designated Partner
(Membership No.: 093056)
Place: New Delhi
Date: 23/12/2021
UDIN: 21093056AAAAND4427

Annexure 'B' to the independent auditor's report

Referred to in paragraph 3 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the consolidated financial statements of the Company for the year ended March 31, 2021:

Report on the Directions u/s 143(5) of Companies Act, 2013 for the financial year 2020-21

Sl. No.	Directions	Reply
1.	Whether the company has system in place to process all accounting transactions through IT system? If yes, the implications of processing of accounting transaction outside IT system on the integrity of the accounts along with financial implications, if any, may be stated.	The company has system in place to process all the accounting transaction through IT system. Company has maintained accounts on SAP system.
2.	Whether there is any restructuring of an existing loan or cases of wavier/write off of debts/ loan/ interest etc. made by a lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).	As per information and explanations given to us and based on our examination of records no restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc. made by the lender
3.	Whether funds (grants/subsidy etc.) received/ receivable for specific schemes for central/state Government or its agencies were properly accounted for/utilized as per its term & conditions? List the cases of deviation.	As per information and explanations given to us and based on our examination of records no fund received/receivable for specific schemes from central/ state agencies.

For GSK & ASSOCIATES LLP
Chartered Accountants
(Firm Registration No. :013838N /N500003)

Sd/-
(Sanjay Kumar Gupta)
Designated Partner
(Membership No.: 093056)
Place: New Delhi
Date: 23/12/2021
UDIN: 21093056AAAAND4427

Replies on Auditors Qualification

S.No.	Auditor's Qualification	Company's Reply
1.	As per the accounting Policy number 10 trade receivables are considered good for realization up to 10 years therefore provision against doubtful debts is made for dues outstanding more than 10 years, a provision of Rs. 443.77 lakhs is made up to 31.03.2021 against the total recoverable amount of Rs. 2368.96 lakhs from M/s Uranium Corporation of India Ltd (UCIL). Against this receivable, Rs. 746.78 lakhs is pending for payment to sub-contractors. Thus, Net outstanding for which provisioning is required works out to Rs. 1622.18 lakhs. The above amount is more than 10 years old and as per Company's adopted accounting policy for Doubtful debts/ Loans and advances, 100% provisioning is required. Management made a provision of Rs 443.77 lakhs up to 31.03.2021. Thus, required provisioning is short by Rs. 1178.41 lakhs. Further the company has taken the legal opinion on the said matter from Additional Solicitor General of India during the year under audit and as per the opinion a sum of Rs. 1161.92 Lacs is undisputed along with other claims raised by the other party which has not been quantified as of now. UCIL has not honored the same till now. Therefore Loss of the EPIL is understated by the same amount (Refer to Note No. 2.45).	The matter of realisation of old outstanding dues and their settlement is under active consideration between EPI and UCIL. Accordingly as decided by both the parties, legal opinion for settlement of dues were obtained from Additional Solicitor General of India. As per request of UCIL, the realisation of dues was also reviewed by Internal Committee of EPIL and decision was communicated to UCIL. As per ASG opinion an amount of Rs. 1161.19 lakhs is undisputed to be received by EPI from UCIL out of the total claims of Rs. 24.35 crores. High Level committee of EPIL Management has also reviewed and confirmed the realizeability of Rs. 1161.91 Lakhs. Further as per the Accounting Policy of the company, Provisions of old outstanding are made net of payables to the Sub Contractors (Associates). Accordingly, Amount of Rs. 443.77 Lakhs was provided in the Books of Account upto 31.03.2021.
2.	The "amount payable to others" include amount which are pertaining to invoked bank guarantee and which are undisputed thereby should have been credited to "Miscellaneous Income". However, in the absence of necessary information as regards the status of dispute or otherwise, pertaining to those amount, the same cannot be ascertained relating to eastern regional office.	In case of realization of proceeds of Invoked BG by EPI for the sub-contractors, the amount is continued to be shown as liability under the head "Payable to others" till the final closure of the project. This policy is being consistently followed considering the matching concept of accounting.

S.No.	Auditor's Qualification	Company's Reply
3.	Refer to note 2.11- Long term loans and advances which includes "Advance Tax/TDS Recoverable" amounting to Rs.3967.88 lakhs and "Indirect Tax (Recoverable, Input Tax Credit, Advance)" amounting to Rs.2490.28 lakhs. Out of the total, Indirect taxes of Rs. 244.64 lakhs and Advance tax/TDS recoverable of Rs. 28.84 lakhs were recorded/ uploaded at the time of initial upload of data into SAP System on 31.03.2014 for period pertaining prior to transition period(as explained by management). However documentary evidence for such claim with the revenue department could not be provided to the Regional Office auditor. In absence of the relevant information made available with auditors, we are unable to comment on the correctness, existence, completeness and the recoverability of the same.	Amount of Rs. 244.64 lakhs constitutes of VAT/Sales tax refund, Pre deposit of demands pertaining to years prior to 31.03.2014. Cases are pending before various legal forums and also shown in Contingent liability of the Eastern Regional Office, Kolkata. Amount of Rs. 28.84 lakhs pertains to excess TDS deposited in earlier years prior to 31.03.2014 and application for refund is submitted to department.
4.	C&C Construction Limited is 60% stake partner in Myanmar joint venture "EPI - C&C JV (unincorporated)" and main contractor in Company's Oman Project is currently facing insolvency proceedings in NCLT and matter is at advance stage. Outcome and its financial impact on EPIL's Financial Statements is not ascertainable.	Matter of fact only. Refer Note No. 2.29 (b)

Replies on Emphasis of Matter

<table>
<tr><th>S.No.</th><th>Auditor's Qualification</th><th>Company's Reply</th></tr>
<tr><td>1.</td><td>In respect of the following balances of trade receivables, advances for works, security and retention money, loans and advances and recoverable from clients, vendors and others, positive external confirmations of the balances are not available. Due to non-availability of balance confirmations we are unable to quantify the impact, if any, arising on the financial statements.
<table>
<tr><th>Particulars</th><th>Amount (Rs. In Lakhs)</th></tr>
<tr><td>Advance for works</td><td>6,568.77</td></tr>
<tr><td>Security deposits and retention money</td><td>13,674.65</td></tr>
<tr><td>Trade receivables</td><td>16,103.24</td></tr>
<tr><td>Other recoverable</td><td>30,570.45</td></tr>
</table>
However the company sent negative balance confirmations request to all the respective customers but no response was received. Since as per SA 505- External Confirmation, the failure to receive a response to a negative confirmation request either indicate accuracy of amount due or unwillingness of confirming party to confirm the amount. Thereby the accuracy, existence and completeness of said amounts could not be verified. However as per the standards of auditing negative confirmation are an audit evidence thereby we are not qualifying our opinion on basis of above.</td><td>The Practice of the balance confirmations of Trade Receivables, Loans & Advances, Retention Money and Security Deposit are consistently followed by the company from the last several years as per the practice followed across the industry.</td></tr>
<tr><td>2.</td><td>In respect of the following balances of trade payables, advances received from clients, security deposits and retention money received positive external confirmations of the balances are not available. Due to non-availability of balance confirmations we are unable to quantify the impact, if any, arising on the financial statements.
<table>
<tr><th>Particulars</th><th>Amount (Rs. In Lakhs)</th></tr>
<tr><td>Trade Payables</td><td>40,191.42</td></tr>
<tr><td>Security Deposits, Retention & Earnest Money</td><td>26,152.34</td></tr>
<tr><td>Advance received</td><td>28,287.64</td></tr>
<tr><td>Other Payable to Clients</td><td>741.27</td></tr>
</table></td><td>The Practice of the balance confirmations of Trade Payable and payable to other parties are consistently followed by the company from the last several years as per the practice followed across the industry.</td></tr>
</table>

S.No.	Auditor's Qualification	Company's Reply
	However the company sent negative balance confirmations request to all the respective vendors but no response was received. Since as per SA 505- External Confirmation, the failure to receive a response to a negative confirmation request either indicate accuracy of amount due or unwillingness of confirming party to confirm the amount. Thereby the accuracy, existence and completeness of said amounts could not be verified. However as per the standards of auditing negative confirmation are an audit evidence thereby we are not qualifying our opinion on basis of above	
3.	The company had the policy of accounting reimbursements to employees for mobile phones purchased by them on their name as additions to fixed assets and capitalizing them under Office Equipment and claiming 100% depreciation on the same till October 2020 and after October 2020 the company expensed off the entire reimbursement to employee in lieu of mobile phones as expense. Further the Companies Act 2013 nowhere permits charging of 100% depreciation on any asset i.e. recording the asset at zero salvage value.	Mobile phones are being given to the Employees for the Official Use. Companies Act, 2013 provides for the useful life for calculating depreciation and there is no bar on charging 100% depreciation. Further company is expensing off the mobile phones provided to employees are charged to statement of profit and loss irrespective of its value and the same practice is being followed by the peer companies.
4.	The company has practice of adjusting TDS Recoverable, Advance Tax Paid and TCS Recoverable from Income Tax liability of their respective assessment years only after receipt of final assessment order. However it is pertinent to note that the said policy leads to overstatement of assets and liability by the amounts accounted as TDS Recoverable, Advance Tax and TCS Recoverable. Since the financial impact of this is not material thereby we are not qualifying our opinion on same.	Company will make the adjustments entry at the time of filing of income tax return.
5.	Refer to Note No.2.3, in lieu of BG provided by EPIL of Rs.4554.00 lakhs on behalf of C&C Construction Limited in Myanmar Project, EPIL has received Rs.1906.64 lakhs and the balance is secured against work done in Oman. Outcome and its financial impact is not ascertainable.	The point is disclosed in note no. 2.29(b) of the notes to the Accounts of the company, wherein it is mentioned that the Balance Outstanding from C&C constructions Ltd. towards BG exposure is secured against their Dues in Oman Project.

S.No.	Auditor's Qualification	Company's Reply
6.	Central Bureau of Investigation (CBI) has registered 3 cases and filed FIRs against some employees of EPI out of which 2 cases have been registered during the year 2017-18 and 1 case in F.Y. 2016-17. The cases are in respect of alleged illegal gratification taken by the accused employees of EPI for award of tenders. EPI is not named as party in the FIRs and no financial impact on its financial statements is envisaged.	The Company has system of Reporting of Progress of such cases to the Board on periodical Basis.
7.	In early 2020, the existence of COVID-19 was confirmed and since then the virus has spread across the globe necessitating the World Health Organization (WHO) to declare it a global pandemic. The pandemic has caused disruption to businesses and economic activity across the globe. This year, the COVID-19 pandemic and national lockdown severely impacted the social sector as much as the economy. Health, Infrastructure, Construction, Education, Skilling were among the most seriously impacted sectors. It is evident that communicable diseases such as COVID-19 have the potential to inflict severe economic and financial costs on Indian Economy. Because of high transportation connectivity, globalization, and economic interconnectedness, it has been extremely difficult and costly to contain the virus and mitigate the importation risks once the disease started to spread in multiple locations. The EPIL recorded revenues of Rs. 80562.17 Lakhs during FY2020-21, registering a decline of 39.73%. The decline was mainly due to the slowdown of project execution affected due to lockdown-related disruptions in first half of the year. The Company will continue to evaluate the pandemic-related uncertainty arising from the on-going second wave and its assessment. (Refer Note No.-2.52)	The point is disclosed in note no. 2.52 of the notes to the Accounts of the company

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

(Amount in ₹ Lakhs)

	Particulars	Note No.	As at 31st March, 2021		As at 31st March, 2020	
I.	**EQUITY AND LIABILITIES**					
1	**Shareholders' Funds**					
	a) Share Capital	2.1	**3,542.27**		3,542.27	
	b) Reserves and Surplus	2.2	**11,314.23**		16,316.14	
	c) Non Controlling Interest		**1.97**	**14,858.47**	1.97	19,860.38
2	**Share Application Money Pending Allotment**			**-**		-
3	**Non Current Liabilities**					
	a) Other Long - Term Liabilities	2.3	**64,106.16**		55,517.31	
	b) Long - Term Provisions	2.4	**3,209.97**	**67,316.13**	2,898.17	58,415.48
4	**Current Liabilities**					
	a) Short Term Borrowings	2.5	**4,845.32**		10,855.25	
	b) Trade Payables	2.6				
	i) Due to MSME		**798.92**		486.66	
	ii) Due to Other than MSME		**41,149.35**		58,685.78	
	c) Other Current Liabilities	2.7	**52,606.85**		45,367.10	
	d) Short Term Provisions	2.8	**1,417.81**	**1,00,818.25**	2,215.41	1,17,610.20
	Total			**1,82,992.85**		1,95,886.06
II.	**ASSETS**					
1	**Non current assets**					
	a) Tangible Assets					
	i) Property, Plant & Equipment	2.9(i)	**696.48**		740.43	
	b) Intangible Assets	2.9(ii)	**24.50**		37.10	
	c) Intangible Assets under construction	2.9(iii)	**78.38**		25.99	
	d) Deferred Tax Assets (Net)	2.10	**1,332.30**		1,872.37	
	e) Long Term Loans and Advances	2.11	**38,242.81**		36,641.90	
	f) Other Non Current Assets	2.12	**29,515.69**	**69,890.16**	26,183.86	65,501.65
2	**Current assets**					
	a) Current Investments					
	b) Inventories	2.13	**17.85**		102.17	
	c) Trade Receivables	2.14	**26,839.45**		43,434.45	
	d) Cash and cash equivalents	2.15 (i)	**12,453.09**		25,541.58	
	e) Other Bank Balance	2.15 (ii)	**17,357.44**		6,685.63	
	f) Short Term Loans and Advances	2.16	**19,624.97**		15,317.31	
	g) Other Current Assets	2.17	**36,809.89**	**1,13,102.69**	39,303.27	1,30,384.41
	Total			**1,82,992.85**		1,95,886.06
	Significant Accounting Policies	1				
	Notes to accounts	2.1 to 2.52				

The accounting policies and notes form an integral part of the financial statements.

As per our report of even date attached
For GSK & Associates
Chartered Accountants
Firm Registration No.013838N /N500003

For and on behalf of the Board of Directors

Sd/-
(RAJ PAL SINGH)
Director (Finance)
DIN: 08750557

Sd/-
(DHIRENDRA SINGH RANA)
Chairman cum Managing Director
DIN: 07022825

Sd/-
(CA Sanjay Kumar Gupta)
Designated Partner
Membership No. 093056
Place: New Delhi
Dated: 22nd November, 2021
UDIN: 21093056AAAALI4097

Sd/-
(KAPIL MOHAN SAXENA)
ED (Finance) & CFO

Sd/-
(NITESH KUMAR GOYAL)
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in ₹ Lakhs)

	Particulars	Note No.	Year ended 31st March, 2021	Year ended 31st March, 2020
I.	Revenue From Operations	2.18	**80,562.17**	133,658.95
II.	Other Income	2.19	**511.95**	673.29
III.	**Total Revenue (I+II)**		**81,074.12**	134,332.24
IV.	**Expenses:**			
	Operating Expenses	2.20	**74,876.65**	123,197.96
	Employee Benefits Expenses	2.21	**7,247.11**	7,336.75
	Finance Costs	2.22	**1,032.31**	852.41
	Depreciation & Amortisation Expenses	2.9	**99.36**	109.12
	Other Expenses	2.23	**2,071.24**	1,938.31
	Total Expenses		**85,326.67**	133,434.55
V.	**Profit/ (Loss) before prior period expenses, exceptional and extraordinary items and tax (III-IV)**		**(4,252.55)**	897.69
VI.	Prior Period Expenses (Net)	2.24	**116.26**	103.43
VII.	**Profit/ (Loss) before exceptional and extraordinary items and tax (V-VI)**		**(4,368.81)**	794.26
VIII.	Exceptional Items		**-**	-
IX.	**Profit/ (Loss) before Extraordinary Items and Tax (VII-VIII)**		**(4,368.81)**	794.26
X.	Extraordinary Items		**-**	-
XI.	**Profit/(Loss) Before Tax (IX-X)**		**(4,368.81)**	794.26
XII.	Tax Expense			
	Current Tax		**42.25**	609.60
	Earlier Years Tax Adjustments (net)		**23.18**	-
	Deferred Tax		**540.07**	92.63
XIII.	**Profit/ (Loss) from Continuing Operations (XI-XII)**		**(4,974.31)**	92.03
XIV.	Profit / (Loss) from discontinuing Operations		**-**	-
XV.	Tax Expense of discontinuing Operations		**-**	-
XVI.	**Profit / (Loss) from discontinuing Operations (After Tax) (XIV-XV)**		**-**	-
XVII.	**Profit / (Loss) for the year (XIII+XVI)**		**(4,974.31)**	92.03
XVIII.	**Earnings Per Share (Basic & Diluted)**	2.39	**(14.04)**	0.26
	Significant Accounting Policies	1		
	Notes to Accounts	2.1 to 2.52		

The accounting policies and notes form an integral part of the financial statements.

As per our report of even date attached
For GSK & Associates
Chartered Accountants
Firm Registration No.013838N /N500003

For and on behalf of the Board of Directors

Sd/-
(RAJ PAL SINGH)
Director (Finance)
DIN: 08750557

Sd/-
(DHIRENDRA SINGH RANA)
Chairman cum Managing Director
DIN: 07022825

Sd/-
(CA Sanjay Kumar Gupta)
Designated Partner
Membership No. 093056
Place: New Delhi
Dated: 22nd November, 2021
UDIN: 21093056AAAALI4097

Sd/-
(KAPIL MOHAN SAXENA)
ED (Finance) & CFO

Sd/-
(NITESH KUMAR GOYAL)
Company Secretary

CONSOLIDATED-CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in ₹ Lakhs)

PARTICULARS	2020-21	2019-20
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	**(4,368.81)**	794.26
ADJUSTMENTS FOR:		
- DEPRECIATION AND AMORTIZATION	**99.36**	109.12
- LOSS/(PROFIT) ON SALE OF ASSETS (NET)	**1.56**	0.79
- INTEREST ON FDs	**(53.41)**	(78.61)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY	**(18.24)**	
- CASH & CASH EQUIVALENTS		
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**(4,339.54)**	825.56
- DECREASE/(INCREASE) IN INVENTORIES	**84.32**	(83.40)
- DECREASE/(INCREASE) IN UNBILLED REVENUE	**2,811.31**	(2,717.58)
- DECREASE/(INCREASE) IN TRADE RECEIVABLES	**13,803.25**	(8,604.81)
- DECREASE/(INCREASE) IN FDs UNDER LIEN	**4,752.19**	(4,817.14)
- DECREASE/(INCREASE) IN LOANS & ADVANCES	**(6,296.91)**	11,857.61
- INCREASE/(DECREASE) IN CURRENT LIABILITIES & PROVISIONS	**(7,934.01)**	(2,247.32)
CASH GENERATED FROM OPERATIONS	**2,880.61**	(5,787.08)
- INCOME TAX	**(605.50)**	(702.23)
NET CASH FROM OPERATING ACTIVITIES	**2,275.11**	(6,489.31)
CASH FLOWS FROM INVESTING ACTIVITIES		
- PURCHASE/CONSTRUCTION OF FIXED ASSETS	**(101.27)**	(89.82)
- PROCEEDS FROM SALE OF ASSETS	**4.51**	5.58
- INTEREST INCOME	**166.53**	151.40
- FDR WITH MATURITY MORE THAN 3 MONTH	**(15,424.00)**	5,934.00
NET CASH FROM INVESTING ACTIVITIES	**(15,354.23)**	6,001.16
CASH FLOW FROM FINANCING ACTIVITIES		
- FDR WITH MATURITY MORE THAN 3 MONTH	-	-
- DIVIDEND PAID	**(27.61)**	-
- DIVIDEND TAX PAID	-	-
NET CASH USED IN FINANCING ACTIVITIES	**(27.61)**	-
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY	**18.24**	
- CASH & CASH EQUIVALENTS		
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(13,088.49)**	(488.15)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**25,541.58**	26,031.88
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**12,453.09**	25,541.58
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
CASH IN HAND (REFER NOTE NO 2.15)	**0.01**	-
CHEQUES IN HAND (REFER NOTE NO 2.15)	-	-
REMITTANCE IN TRANSIT	-	-
BALANCE WITH BANK'S IN CURRENT ACCOUNTS (REFERNOTE NO 2.15)	**8,603.44**	5,869.68
BALANCE WITH OTHER BANK'S FIXED DEPOSITES OTHER (REFER NOTE NO 2.15)	**3,849.64**	19,671.90
CASH AND CASH EQUIVALENT	**12,453.09**	25,541.58
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**12,453.09**	25,541.58

NOTE:
1) Cash And Cash Equivalents Consist Of Cash And Bank Balances Including FDs , Interest Accrued And Liquid Investment Excluding FDs Under Lien / Margin.
2) The above Cash flow statement has been prepared by using Indirect Method as per accounting Standard AS-3 "Cash Flow Statement" issued by Institute of Chartered Accountants of India
3) Cash & Cash Equivalents consists of Cash & Other bank balances and deposit with Banks
4) Previous Year Figures have been regrouped, rearranged and recasted where ever necessay.

As per our report of even date attached
For GSK & Associates
Chartered Accountants
Firm Registration No.013838N /N500003

For and on behalf of the Board of Directors

Sd/-
(RAJ PAL SINGH)
Director (Finance)
DIN: 08750557

Sd/-
(DHIRENDRA SINGH RANA)
Chairman cum Managing Director
DIN: 07022825

Sd/-
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Sd/-
(KAPIL MOHAN SAXENA)
ED (Finance) & CFO

Sd/-
(NITESH KUMAR GOYAL)
Company Secretary

Notes to Consolidated Financial Statement:-

(For the year ended 31st March 2021)

1. Significant Accounting Policies

1. Basis of accounting

a) The financial statements are prepared under historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India and to comply with the Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (the ''2013 Act”). The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) All Assets and Liabilities have been classified as current or non-current as per the criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time within which the assets are expected to be realized in cash and cash equivalents in the ordinary course of business, the company has ascertained its operating cycles as 12 months for the purpose of current and non-current classification of assets and liabilities.

2. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities, if any, on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management’s knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognized in the current and future periods.

3. Revenue recognition

a) Contract Revenue is recognised to the extent it is probable that economic benefits will flow to the company and revenue can be reliably measured. Revenue is recognised by adding the aggregate cost of work and proportionate margin using the percentage of completion method. The percentage of completion is determined as a proportion of cost incurred to date to the total estimated cost of the contract revised annually.

b) At the year end, works executed but not measured/partly executed are accounted for based on certification by Internal Engineers, entries arising out of such accounting are reversed in the following accounting year. Accordingly, statutory obligations are met with at the time of actual receipt/ issue of bills/claims.

c) In case of projects foreclosed/terminated, revenue is recognised only to the extent of contract value of which recovery is probable.

d) Revenue from consultancy services is recognised on proportionate completion method. In respect of cases where ultimate collection with reasonable certainty is lacking at the time of claim, recognition is postponed till collection is made.

e) In case of contracts where the contract costs exceed the contract revenues, anticipated loss is recognised immediately.

f) Escalation and extra works not provided for in the contract with client, claims arising out of arbitration awards and insurance claims are accounted for on receipt basis.

g) Liquidated damages arising from contractual obligations in respect of contracts under dispute/negotiation and not considered payable/receivable are not accounted for till final settlement.

h) The contract is considered as closed for accounting purposes upon final billing, commissioning certificate, commercial run, foreclosure and/or termination whichever is earlier.

i) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

j) Revenue from rent is recognized on accrual basis, based on the lease agreements with the tenants except where the ultimate collection is considered doubtful.

k) In case of Project Management Consultancy work, where the responsibility of total execution, Billing, collection, compliances of Taxes including Defect Liability (DLP) etc. lies on company, the turnover will be recognized on percentage completion method based on cost plus margin.

4. Inventory

(i) Materials

a) Construction materials, consumables and stores & spares excluding steel, cement and pipes are charged to contract cost at the time of purchase. Sale proceeds on account of disposal of such left out materials are accounted as miscellaneous income in the year of sale.

b) Stock of steel, cement and pipes are valued at lower of cost or net realisable value. Cost includes freight and other related incidental expenses and is arrived at on weighted average cost.

(ii) Work in Progress

Construction work in progress is valued at cost till such time the outcome of the job cannot be ascertained reliably.

5. Foreign exchange transactions

Financial statements of foreign projects are translated in the following manner:

i) Revenue items (income and expenditure) are translated into Indian currency on the basis of average of buying rate prevalent on the last working day of each month of the relevant financial year.

ii) Property, Plant and Equipment and non-monetary items are translated at the buying rate at the date of transaction.

iii) Depreciation is translated at the rates used for the translation of the value of the assets on which depreciation is calculated.

iv) Inventories are translated at the buying rates prevalent at each balance sheet date.

v) Monetary items (assets and liabilities) and contingent liabilities are translated at the prevailing closing buying rate at each balance sheet date.

The net exchange differences resulting from the translations are recognised as income or expense for the year.

6. Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation on Property, Plant and Equipment is calculated on straight line basis based on the useful life of assets in accordance with the Schedule II of the Companies Act, 2013 and 95% of the cost is written off during the expected useful life of assets.

7. Depreciation

a) Depreciation on Property, Plant and Equipment is calculated on straight line basis based on the useful life of assets in accordance with the Schedule II of the Companies Act, 2013 and 95% of the cost is written off during the expected useful life of assets.

b) The following rates of depreciation derived on the basis of useful life of the assets have been adopted-

S.No.	Description of Assets	Rate of Depreciation
1	**Building (Other than factory Building) RCC frame structure (NESD)**	1.58%
2	**Others Temporary Construction (Including temporary structure etc.) (NESD)**	31.67%

S.No.	Description of Assets	Rate of Depreciation
3	**Plant and Machinery used in civil construction**	
3(a)(i)	Concreting, Crushing, Piling equipment and Road Making Machine	7.92%
3(a)(ii)(a)	Cranes with capacity of more than 100 tons	4.75%
3(a)(ii)(b)	Cranes with capacity of less than 100 tons	6.33%
3(a)(iii)	Earth moving equipments	10.56%
3(a)(iv)	Others including material handling/ Pipeline/welding equipments (NESD)	7.92%
4	**General Furniture and Fixture (NESD)**	9.50%
5	**Office Equipments (NESD)**	19%
6	**Computers and data processing units (NESD)**	
6(a)	Server and Network	15.83%
6(b)	End user devices such as Desktop, Laptop, Software including user license fee, other intangible assets etc.	31.67%
7	**Motor Vehicles (NESD)**	
7(a)	Motorcycles, Scooters & Other Mopeds	9.50%
7(b)	Motor Buses, Motor Lorries and Motor Cars other than used in business of running them on hire	11.88%

Except for assets in respect of which no extra shift depreciation (NESD) is permitted as indicated, if an asset is used for any time during the year for double shift, the depreciation will increase by 50% for that period and in case of triple shift the depreciation shall be calculated on the basis of 100% for that period.

c) Property, Plant and Equipment acquired during the period, individually costing upto ₹ 5,000/- are fully depreciated in a year of purchase. However, Mobile phones provided to employees are charged to statement of profit and loss irrespective of its value".

Financial Impact of the changed policy during the year is "NIL".

d) Leasehold building are amortised over the period of lease or over the specified period calculated as per the rates adopted by the Company which ever is shorter. Leasehold land under perpetual lease is not being amortised and carried at cost.

8. Employee benefits

(i) Short Term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss statement of the year in which the related service is rendered.

(ii) Post employment and the other long term employee benefits are recognised as an expense in the Profit and Loss statement for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. The actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss statement.

9. Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimation. A contingent liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

10. Provision for Doubtful Debts/ Loans and Advances

The amount of Trade Receivables/ Loans and Advances in closed projects, pertaining to Central / State Governments and their Departments, PSU clients and Foreign clients are considered good for realization upto 10 years from the year these became due. These debts are under constant persuasion for realisation till final settlement made with the client(s) or verdict is passed by the arbitral tribunal/ court, in case of dispute. Necessary provision against doubtful debts / loans and advances for **net receivable amount** on project basis is made in case the dues are outstanding for more than 10 years based on the previous experience/progress/assessment of the matter by the management. Trade Receivables/ Loans and Advances are written-off when considered unrealizable. For the cases pending with Arbitrator / Tribunal / Court no provision is made.

Net receivable indicated above means that the total amount due from the client reduced by the corresponding amount payable to the subcontractors of the respective Project.

11. Segment Reporting

The Company has identified two primary reporting segments based on geographic location of the projects viz. Domestic & International.

12. Impairment of Assets

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the profit and loss account.

13. Taxation

Provision for tax for the year comprises estimated current income-tax determined as higher of the amount of tax payable in respect of taxable income for the period or tax payable on book profit computed in accordance with the provisions of section 115BAA of the Income tax Act, 1961 and deferred tax being the tax effect of temporary timing differences representing the difference between taxable and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is calculated in accordance with the relevant domestic tax laws.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In respect of carry forward losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum Alternate TAX ('mat') is not applicable to company being company opted for taxation u/s 115BAA of the Income Tax Act 1961.

14. Leases

Lease payments under operating leases are recognised as expense in the profit and loss account on straight line basis over the lease term.

15. 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.

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.

16. Prior Period Items and Prepaid Expenses

Expenditure/income relating to prior period and prepaid expenses not exceeding ₹ 100,000/- in each case are treated as expenditure/income of the current year.

17. Allocation of Corporate Office Overheads

Corporate/ Head Office overheads relating to salary and related costs thereto are allocated to Oman project in the ratio of its turnover over the total turnover of EPI.

18. Principles of Consolidation

a) The consolidated financial statements of the group are prepared under the historical cost convention and in accordance with applicable Accounting Standards in India. The financial statements adhere to the relevant presentational requirement of the Companies Act, 2013 and other applicable laws.

b) The financial statements of the company and the subsidiary is combined on a line-byline basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balance/transactions in full as per Accounting Standard-21 on Consolidated Financial Statements.

c) Minority Interest's share of net assets of; consolidated subsidiary is identified and presented ill the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders. Minority Interest's share of net profit/ (loss) of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

d) Minority interest in the net assets of consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders.

e) The excess of the cost to the Company of its Investment in Subsidiaries over its proportionate share in the equity of investee Company at the date of acquisition of stake is recognized in the consolidated financial statements as Goodwill. In case the cost of investment in a Subsidiaries is less than the proportionate share in the equity of the investee company as on the date of investment, the difference is recognized as Capital Reserve in the consolidated Financial Statements.

Note No. 2.1

(Amount in ₹ Lakhs)

Share Capital	As at 31st March 2021	As at 31st March 2020
Authorised		
90,94,04,600 Equity Shares of ₹ 10/- Each Fully Paid Up (P.Y. 90,94,04,600 Equity Shares of ₹ 10/- Each Fully Paid Up)	**90,940.46**	90,940.46
Issued, Subscribed and Fully Paid up		
3,54,22,688 Equity Shares of ₹ 10/- Each Fully Paid Up (P.Y. 3,54,22,688 Equity Shares of ₹ 10/- Each Fully Paid Up)	**3,542.27**	3,542.27
Balance in corporate office account (Interunit)	-	-
Total	**3,542.27**	3,542.27

Note 2.1 (A)

Reconciliation of No. of Shares Outstanding	As at 31st March 2021	As at 31st March 2020
	Number	Number
At the beginning of the year	**3,54,22,688**	3,54,22,688
At the end of the year	**3,54,22,688**	3,54,22,688

Note 2.1 (B)

Number of Shares Held by Each Shareholder holding More Than 5%	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	**% age Holding**	No. of Shares	% age Holding
The President of India	**3,54,15,677**	**99.98**	3,54,15,677	99.98

Note No. 2.2

(Amount in ₹ Lakhs)

Reserve & Surplus	As at 31st March 2021	As at 31st March 2020
A) Capital Reserve		
Balance as at the beginning and end of the year	**2.10**	2.10
B) General Reserve		
Balance as at the beginning of the year	**2,115.00**	2,115.00
Add: Addition during the year	**-**	-
Balance as at the end of the year	**2,115.00**	2,115.00
C) Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	**14,199.05**	14,107.01
Add: Profit/(Loss) for the year	**(4,974.31)**	92.03
Less: Dividend Paid*	**(27.61)**	-
Less: Transfer of last year Profit*	-	-
Balance as at the end of the year	**9,197.13**	14,199.04
Total (A+B+C)	**11,314.23**	16,316.14

*The Ministry of Corporate Affairs while notifying Companies (Accounting Standards) Amendment Rules, 2016 (G.S.R. 364(E) dated 30.03.2016) has amended Accounting Standard (AS)-4 "Contingencies and Events Occurring After the Balance Sheet Date". The para 14 of amended AS-4 provides that if dividends are declared after the balance sheet date, then such dividends are not recognized as a liability at the balance sheet date because no obligation exists at that date.

Note No. 2.3

(Amount in ₹ Lakhs)

Other Long Term Liabilities	As at 31st March 2021	As at 31st March 2020
Trade Payables		
- Micro, Small & Medium Enterprises *	-	-
- Other Other than Micro, Small & Medium Enterprises	**16,199.31**	12,157.45
Other Liabilities		
- Security Deposits & Retention Money #	**35,170.67**	33,410.80
-Advance Received from Clients	**12,553.98**	9,799.15
- Other Payable to Clients	**182.20**	149.91
Total	**64,106.16**	55,517.31

* Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of confirmations received from these entities and to the extent of the information available with the Company. There was no amount due for more than forty five days payable to these identified entities at any time during the year.

Includes an amount of ₹ 1906.64 Lakhs received by EPIL in lieu of Bank Guarantee provided by EPIL for ₹ 4554.00 Lakhs on behalf of C&C Constructions Limited in Myanmar Project and balance is secured against work done in Oman.

Note No. 2.4

(Amount in ₹ Lakhs)

Long Term Provisions	As at 31st March 2021	As at 31st March 2020
Employee Benefits		
-Leave Encashment	**1,368.33**	1,227.40
-Gratuity	**170.33**	61.69
-Long Service Award	**19.58**	19.58
-Post Retirement Medical Benefits	**1,647.88**	1,584.48
-Post Retirement Travelling Allowance	**3.85**	5.02
Total	**3,209.97**	2,898.17

Note No. 2.5

(Amount in ₹ Lakhs)

Short Term Borrowing	As at 31st March 2021	As at 31st March 2020
Secured		
- Loan Payable on Demand from Banks #	-	0.23
Unsecured		
- Loan Payable on Demand from Banks *	**4,845.32**	10,855.02
Total	**4,845.32**	10,855.25

Amount of ₹ NIL (previous year ₹ 0.23 Lakhs) towards overdraft against pledging the clients fixed deposit.

*Amount of ₹ 4845.32 Lakhs (previous year ₹ 10,855.02 Lakhs) towards clean cash credit against fund based limit/short term loan with IOB Delhi.

Note No. 2.6

(Amount in ₹ Lakhs)

Trade Payables	As at 31st March 2021	As at 31st March 2020
Trade Payables		
- Micro, Small & Medium Enterprises *	**798.92**	486.66
- Other than Micro, Small & Medium Enterprises	**41,149.35**	58,685.78
Total	**41,948.27**	59,172.44

*Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of confirmations received from these entities and to the extent of the information available with the Company. There was no amount due for more than forty five days payable to these identified entities at any time during the year.

Based on information available with the company ₹ 798.92 Lakhs (previous year ₹ 486.66 Lakhs) was payable to MSME at the end of the year. No amount of interest was payable for the year.

Note No. 2.7

(Amount in ₹ Lakhs)

Other Current Liabilities	As at 31st March 2021	As at 31st March 2020
Advance From Clients	**27,915.84**	23,802.47
Security Deposits, Retention & Earnest Money	**6,703.07**	8,978.79
Outstanding Liabilities	**1,052.48**	2,322.49
Other Payable to Clients	**559.07**	425.72
Advance Revenue for Works	**5,880.27**	5,837.56
Payable to Employees *	**842.01**	796.87
Additional Claims Payable	**8,274.82**	-
Statutory Liabilities	**1,379.29**	3,203.20
Total	**52,606.85**	45,367.10

* During the year ended on 31.03.2021 an amount of ₹ 38.72 Lakhs (previous year ₹ 38.72 Lakhs) related to Performance Related Pay is pending for release to certain employees.

Pursuant to the guidelines regarding pay revision (3rd PRC) w.e.f. 01.01.2017 provision of ₹ NIL (previous year ₹ 192.76 Lakhs) has been made in the books of accounts during FY 2020-21. The cumulative provision as at 31.03.2021 is ₹ 681.96 Lakhs (previous year ₹ 693.08 Lakhs as on 31.03.2020).

Note No. 2.8

(Amount in ₹ Lakhs)

Short Term Provisions	As at 31st March 2021	As at 31st March 2020
Provision for Expected Loss (As per AS-7)	**806.50**	1,161.82
Provision for Income Tax (Foreign)	**42.25**	609.60
Employee Benefits		
-Leave Encashment	**229.18**	235.25
-Gratuity	**88.16**	82.64
-Long Service Award	**3.33**	4.51
-Post Retirement Medical Benefits	**247.93**	121.09
-Post Retirement Travelling Allowance	**0.46**	0.50
Total	**1,417.81**	2,215.41

Note No. 2.9 (i)

Property, Plant & Equipments as at 31.03.2021

(Amount in ₹ Lakhs)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	OPENING BALANCE	ADDITIONS	ADJUST MENT	SALE/ WRITTEN OFF	TOTAL	OPENING BALANCE	FOR THE YEAR	ADJUST MENT	SALE/ WRITTEN OFF	TOTAL	As at 31st March 2021	As at 31st March 2020
Property, Plant & Equipment												
LAND FREEHOLD	-	-	-	-	**-**	-	-	-	-	**-**	**-**	-
LAND LEASEHOLD	16.16	-	-	-	**16.16**	3.48	0.15	-	-	**3.64**	**12.52**	12.68
BUILDING FREEHOLD	46.87	-	-	-	**46.87**	28.90	1.09	-	-	**29.99**	**16.88**	17.97
BUILDING LEASEHOLD*	667.13	-	(0.00)	-	**667.13**	277.57	12.77	0.00	-	**290.34**	**376.79**	389.57
COMPUTER AND EQUIPMENTS	502.20	22.79	-	5.77	**519.22**	452.96	17.71	-	4.75	**465.92**	**53.30**	49.25
OFFICE AND OTHER EQUIPMENTS	264.87	18.16	-	2.04	**280.99**	228.78	18.12	-	1.81	**245.09**	**35.89**	36.09
CONSTRUCTION EQUIPMENTS	626.82	-	-	-	**626.82**	486.53	17.52	(0.00)	-	**504.04**	**122.77**	140.29
FURNITURES & FIXTURES	260.34	7.93	(0.00)	6.27	**262.00**	182.55	14.24	-	1.49	**195.31**	**66.70**	77.78
VEHICLES	72.06	-	-	-	**72.06**	55.25	5.18	-	-	**60.43**	**11.63**	16.81
TOTAL	**2,456.45**	**48.88**	**(0.00)**	**14.08**	**2,491.25**	**1,716.02**	**86.78**	**(0.00)**	**8.03**	**1,794.77**	**696.48**	740.43
PREVIOUS YEAR	2,439.77	41.05	0.00	24.37	2,456.45	1,636.43	97.60	0.00	18.01	1,716.02	740.43	

* Conveyance deeds in respect of building at Scope Complex, New Delhi included in fixed assets at a cost of ₹ 374.42 Lakhs (previous year ₹ 374.42 Lakhs) is pending for execution in the name of Company.

Note No. 2.9 (ii)
Intangible assets as at 31.03.2021

(Amount in ₹ Lakhs)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	OPENING BALANCE	ADDITIONS	ADJUST MENT	SALE/ WRITTEN OFF	TOTAL	OPENING BALANCE	FOR THE YEAR	ADJUST MENT	SALE/ WRITTEN OFF	TOTAL	As at 31st March 2021	As at 31st March 2020
INTANGIBLE ASSETS												
SOFTWARES (ACQUIRED)	244.73	-		0.09	**244.64**	207.63	12.58		0.07	**220.14**	**24.50**	37.10
TOTAL	**244.73**	**-**	**-**	**0.09**	**244.64**	**207.63**	**12.58**	**-**	**0.07**	**220.14**	**24.50**	37.10
PREVIOUS YEAR	222.10	22.78	-	0.15	244.72	196.24	11.52	-	0.14	207.62	**37.10**	

Note No. 2.9 (iii)
Intangible Assets as at 31.03.2021

(Amount in ₹ Lakhs)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	OPENING BALANCE	ADDITIONS	ADDJUST MENT	SALE/ WRITTEN OFF	TOTAL	OPENING BALANCE	FOR THE YEAR	ADJUST MENT	SALE/ WRITTEN OFF	TOTAL	As at 31st March 2021	As at 31st March 2020
INTANGIBLE ASSETS (UNDER CONSTRUCTION)												
SOFTWARES (UNDER CONSTRUCTION)	25.99	52.39	-	-	**78.38**	-	-	-	-	**-**	**78.38**	25.99
TOTAL	**25.99**	**52.39**	**-**	**-**	**78.38**	**-**	**-**	**-**	**-**	**-**	**78.38**	25.99
PREVIOUS YEAR	-	25.99	-	-	25.99	-	-	-	-	-	**25.99**	-

Note No. 2.10

(Amount in ₹ Lakhs)

Deferred Tax Assets (Net)*	As at 31st March 2021	As at 31st March 2020
Depreciation on Fixed Assets	**(605.47)**	(65.40)
Provision for Doubtful Debts	**1,106.37**	1,106.37
Provision for Employee Benefits (AS-15)	**443.54**	443.54
Other Disallowances	**387.86**	387.86
Total	**1,332.30**	1,872.37

* Tax rate applied for calculation of DTA is 25.168% (Income Tax 22%, surcharge 10%, health & education cess 4%)

Note No. 2.11

(Amount in ₹ Lakhs)

Long term Loans and Advances	As at 31st March 2021		As at 31st March 2020	
(Unsecured, Considered Good Unless Stated Otherwise)				
Advance for Works:				
-Mobilization Advance Secured Against BG	**1,347.69**		1,423.60	
-Secured against Material	**110.66**		83.70	
-Other Advances	**2,461.06**		2,466.63	
Other Advances Considered Doubtful	**656.24**		657.44	
	4,575.65		4,631.37	
Less: Allowance for Bad & Doubtful Advances	**(653.47)**	**3,922.18**	(653.47)	3,977.90
Staff Loans & Advances		**11.34**		12.06
Security & Retention Money	**27,613.70**		25,629.71	
Considered Doubtful	**880.22**		880.22	
	28,493.92		26,509.93	
Less: Allowance for Bad & Doubtful Recoveries	**(880.22)**	**27,613.70**	(880.22)	25,629.71
Advance Tax /TDS Recoverable	**3,967.88**		4,211.26	
Less: Provision for Income Tax	**(281.99)**	**3,685.89**	(451.37)	3,759.89
Advance Tax (Foreign)		**519.41**		519.41
MAT Credit		**-**		169.38
Indirect Tax (Recoverable, Input Tax Credit, Advance)		**2,490.28**		2,573.55
Total		**38,242.81**		36,641.90

Note No. 2.12

(Amount in ₹ Lakhs)

Other Non Current Assets	As at 31st March 2021		As at 31st March 2020	
Trade Receivables				
Unsecured Considered Good	**5,671.90**		5,345.51	
Considered Doubtful	**698.79**		698.79	
	6,370.69		6,044.30	
Less: Allowance for Bad & Doubtful Recoveries	**(698.79)**	**5,671.90**	(698.79)	5,345.51
Other Assets				
Fixed Deposits #		**82.32**		77.31
Recoverable from Clients, Vendors & Others	**23,761.47**		20,761.05	
Considered Doubtful	**1,081.59**		1,081.59	
	24,843.06		21,842.64	
Less: Allowance for Bad & Doubtful Recoveries	**(1,081.59)**	**23,761.47**	(1,081.59)	20,761.05
Total		**29,515.69**		26,183.87

As on 31.03.2021 Company has pledged fixed deposits amounting to ₹ 82.32 Lakhs (previous year ₹ 77.31 Lakhs) with clients/others on account of earnest money deposit/security deposit submitted to Client is under dispute, matter is sub-judice.

Note No. 2.13

(Amount in ₹ Lakhs)

Inventories	As at 31st March 2021	As at 31st March 2020
Materials :(Lower of Cost or NRV)		
-Steel	**17.85**	102.17
-Cement	**-**	-
-Pipes & Others	**-**	-
Total	**17.85**	102.17

Note No. 2.14

(Amount in ₹ Lakhs)

Trade Receivables	As at 31st March 2021	As at 31st March 2020
Trade Receivables		
Unsecured Considered Good Outstanding For:-		
- Less Than Six Months	**24,445.44**	42,098.31
- More Than Six Months	**2,394.01**	1,336.14
Considered Doubtful	**-**	-
	26,839.45	43,434.45
Less: Allowance for Bad & Doubtful Recoveries	**-**	-
Total	**26,839.45**	43,434.45

Note No. 2.15 (i)

(Amount in ₹ Lakhs)

Cash and cash equivalents	As at 31st March 2021		As at 31st March 2020	
Cash & Cash Equivalents				
Balances With Banks				
-In Current Accounts*	8,603.44		5,869.68	
-Fixed Deposit (With Maturity Upto 3 Months)**	3,849.64	**12,453.08**	19,671.90	25,541.58
Cash on Hand		**0.01**		-
Total		**12,453.09**		25,541.58

Note No. 2.15 (ii)

(Amount in ₹ Lakhs)

other Bank Balances	As at 31st March 2021	As at 31st March 2020#
Fixed Deposits # ** (With Maturity More Than 3 Months but less than 12 months)	**17,357.44**	6,685.63
Total	**17,357.44**	6,685.63

*Out of the above Balance in Current Account ₹ 7,748.59 Lakhs (previous year ₹ 3,711.71 Lakhs) is held as deposit on behalf of client.

**Out of the above Balance in Fixed Deposits ₹ 20,539.89 Lakhs (previous year ₹ 25,222.16 Lakhs) is held as deposit on behalf of client. As on 31.03.2021 Company has pledged fixed deposits amounting to ₹ 30.00 Lakhs (Previous year ₹ NIL) with clients/others on account of earnest money deposit/security deposit.

As on 31.03.2021 Company has pledged fixed deposits amounting to ₹ 288.44 Lakhs (Previous year ₹ 308.07 lakhs) with clients/others on account of earnest money deposit/security deposit/Sales Tax Department.

Note No. 2.16

(Amount in ₹ Lakhs)

Short Term Loan & Advances	As at 31st March 2021		As at 31st March 2020	
(Unsecured, Considered Good Unless Stated Otherwise)				
Advance for Works:				
-Mobilization Advance Secured Against BG	**4,528.55**		5,360.07	
-Secured Against Material	**442.57**		910.38	
-Other Advances	**1,088.71**	**6,059.83**	989.19	7,259.64
Advance Tax /TDS Recoverable		**2.86**		45.83
Indirect Tax (Recoverable, Input Tax Credit, Advance)		**2,497.38**		4,789.85
Staff Loans & Advances		**24.70**		41.76
Security, Retention & Earnest Money Receivable		**11,040.20**		3,180.23
Total		**19,624.97**		15,317.31

Note No. 2.17

(Amount in ₹ Lakhs)

Other Current Assets	As at 31st March 2021	As at 31st March 2020
Interest Accrued but not due on Bank Deposits	**50.73**	**163.85**
Prepaid Expenses	**277.02**	**562.11**
Recoverable from Clients, Vendors & Others	**11,545.10**	**10,828.96**
Recoverable from Subsidiary Company	**-**	**-**
Unbilled Revenue	**24,937.04**	**27,748.35**
Total	**36,809.89**	39,303.27

Note No. 2.18

(Amount in ₹ Lakhs)

Revenue From Operations	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Value of Work Done	**66,638.98**	1,32,511.07
Other Operating Income	**13,923.19**	1,147.88
Total	**80,562.17**	1,33,658.95

Note No. 2.19

(Amount in ₹ Lakhs)

Other Income	For the Year ended 31st March 2021		For the Year ended 31st March 2020	
IInterest Income earned on				
Deposits with Bank	**53.41**		78.61	
Staff Advances	**0.85**		1.55	
Other (Sub Contractor /Clients /I. T. Refund)	**199.41**	**253.67**	401.90	482.05
Other non-Operating Income				
Unspent Liabilities/ Balances Written Back	**14.72**		32.52	
Miscellaneous Income	**243.56**		158.73	
Reversal of Provision for Expected Loss as per AS-7	**-**	**258.28**	-	191.25
Total		**511.95**		673.30

Note No. 2.20

(Amount in ₹ Lakhs)

Operating Expenses	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Civil, Mechanical, Electrical Works	**60,474.35**	1,19,431.74
Design & Consultancy Charges	**438.64**	2,310.17
Other Direct Expenditure	**681.00**	626.97
Provision for Expected Loss (As per AS-7)	**(326.81)**	(220.72)
Claims Paid	**13,608.24**	1,048.89
Royalty	**1.23**	0.92
Total	**74,876.65**	1,23,197.97

Note No. 2.21

(Amount in ₹ Lakhs)

Employee Remuneration and Benefits	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Salary & Allowances #	**5,919.02**	5,935.92
Contribution to Provident & Gratuity Funds $	**566.91**	598.65
Staff Welfare Expenses *	**761.18**	802.18
Total	**7,247.11**	7,336.75

Salary & Allowances includes a provision of ₹ NIL (previous year ₹ 192.76 Lakhs) created on account of Pay Revision (3rd PRC).

$ Includes an amount of ₹ 35.40 Lakhs (previous year ₹ 25.33 Lakhs) on account of interest shortfall of Providend Fund Trust.

* Includes medical expenses, leave encashment, long service award and other staff welfare expenses.

Note No. 2.22

(Amount in ₹ Lakhs)

Finance Cost	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Interest Paid to		
- Bank	**791.34**	610.41
- Others	**240.97**	242.00
Total	**1,032.31**	852.41

Note No. 2.23

(Amount in ₹ Lakhs)

Other Expenses	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Printing & Stationery	**55.84**	65.11
Rates & Taxes	**341.92**	50.28
Postage & Telecommunication	**110.76**	132.42
Repair & Maintenance		
Office	**355.26**	290.75
Building	**19.39**	18.94
Other Fixed Assets	**0.23**	0.55
Computer Expenses	**63.11**	56.86
Water Power & Fuel charges	**82.17**	87.98
Tendering Expenses	**25.20**	27.10
Advertisement & Publicity	**2.40**	8.70
Legal & Professional Charges	**140.58**	228.58
Advisors On Contract	**15.24**	13.20
Insurance	**35.82**	34.18
Entertainment	**12.80**	11.37
Bank Charges	**135.59**	82.82
Vehicle Running & Maintenance	**22.74**	20.63
Manpower Development	**1.11**	4.83
Loss on sale of Fixed Assets	**1.56**	0.79
Sponsorship Fee	**2.15**	-
Travelling & Other Incidental Expenses (Domestic) $	**450.40**	511.39
Travelling & Other Incidental Expenses (Foreign)	**3.73**	65.06
CSR & Sustainability *	**1.33**	-
Auditor's Remuneration @	**20.16**	21.10
Business Promotion	**13.26**	27.60
Office Rent	**135.97**	119.53
Membership & Subscription Fee	**3.57**	2.12
Filing & Registration Fee	**6.31**	3.85
Provision for Doubtful Debts, Loans & Advances & Others	**-**	27.10
Amounts Written off for Doubtful Recovery	**-**	-
Foreign Exchange Variation (Gain)/ Loss	**(18.24)**	(27.79)
Miscellaneous Expenses	**30.88**	53.26
Total	**2,071.24**	1,938.31

$ Travelling and other incidental expenses includes ₹ 47.40 Lakhs towards site living hardship expenses (previous year ₹ 51.67 Lakhs) and travelling expenses of directors ₹ 3.76 Lakhs (previous year ₹ 21.61 Lakhs).

* In accordance with provisions of Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average of its net profit from the immediately preceding three financial years on Corporate Social Responsibility (CSR). Gross amount spent by the Company for CSR and Sustainability during the year is ₹ 1.33 Lakhs (being amount carried forward from budgets of previous year).

@ Details in respect of payment to auditors:

(Amount in ₹ Lakhs)

Auditors' Remuneration	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Audit Fee #	**16.66**	17.01
Tax Audit #	**2.94**	3.13
Other Services (Certification fee)	**0.20**	0.03
Other Expenses	**0.37**	0.93
Total	**20.17**	21.10

Auditors Remuneration are recorded without GST amount.

Note No. 2.24

(Amount in ₹ Lakhs)

Prior Period Adjustments (Net)	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Income		
Operating Income	**-**	-
Other Income	**-**	17.61
Sub-Total of Prior Period Income (A)	**-**	17.61
Less: Expenses		
Operating Expenses	**116.26**	77.40
Employee Remuneration and Benefits	**-**	-
Depreciation	**-**	-
Others	**-**	43.64
Sub-Total Prior Period Expenses(B)	**116.26**	121.04
Total Prior Period Expenses (Net) (B-A)	**116.26**	103.43

Note No. 2.25

Group Companies

The consolidated financial statements relate to Engineering Projects (India) Limited (The Company) and it's subsidiary, all incorporated in India (The Group).

The subsidiary considered in the consolidated financial statements are as under:

Sr. No.	Name of Subsidiary*	Relationship	Percentage of ownership interest		Share of Associates Profit/(Loss) included in Consolidated Statement of Profit and Loss Account (Amount in ₹ Lakhs)	
			As on 31.03.2021	As on 31.03.2020	**As on 31.03.2021**	As on 31.03.2020
1	EPI Urban Infra Developers Limited	Subsidiary	**51%**	51%	-	-

*Unaudited financial statements are considered in the consolidation financial statements of the Group.

Note No. 2.26

(Amount in ₹ Lakhs)

	Contingent Liabilities and Commitments	31st March 2021	31st March 2020
	Claims against the company not acknowledged as debts :		
1	In respect of legal and Arbitration:		
a	Claims pending for adjudication, amount thereof has been taken wherever quantified or reasonably ascertainable.*	**48,305.68**	46,899.07
b	In respect of cases where awards are published in favor of company but defendants have gone to appeal.*	**6,253.07**	6,417.29
2	In respect of Income Tax/ Sales Tax / Works Contract Tax/ Service Tax demand in respect of completed assessments under dispute/appeals.	**5,548.42**	5,366.10
3	In respect of Guarantees issued on behalf of Client	-	-

*Against the above, the Company has corresponding counter claims.

Note No. 2.27

Estimated amount of contracts remaining to be executed on Development of Intangible Asset and not provided for ₹ 1.57 Lakhs (previous year ₹ 53.96 Lakhs) on account of implementation of ERP and Nil amount has been capitalised during FY 2020-21 in this respect.

Note No. 2.28

Expenditure in Foreign Currency:

(Amount in ₹ Lakhs)

Sl.No.	Particulars	Year ended 31.03.21	Year ended 31.03.20
1	Operational Expenditure	**26,015.43**	62,647.16
2	Professional & Consultancy Charges	**47.24**	2,121.36
3	Foreign Exchange Fluctuation Loss	**-**	9.52
4	Purchase of Fixed Assets	**1.06**	4.33
5	**Administrative & Other Expenses**		
a	Travel	**53.61**	131.92
b	Tendering Expenses	**-**	-
c	Others	**1,133.09**	694.33
	TOTAL	**27,250.42**	65,608.62

Earning in foreign currency:

(Amount in ₹ Lakhs)

Sl.No.	Particulars	Year ended 31.03.21	Year ended 31.03.20
1	Work Receipts	**27,520.77**	71,410.09
2	Interest Income	**16.98**	105.41
3	Foreign Exchange Fluctuation Gain	**27.60**	37.42
4	Others	**0.08**	10.14
	TOTAL	**27,565.42**	71,563.06

Foreign exchange remitted from Oman ₹ 1,249.66 Lakhs equivalent USD 17.00 Lakhs during the financial year 2020-21 (previous year ₹ 3,440.42 Lakhs equivalent USD 49.50 Lakhs).

Note No. 2.29

a) Company has utilised non fund based credit limits of ₹ 47,069.90 Lakhs (Previous year ₹ 63,804.80 Lakhs) against sanctioned limit of ₹ 84,879.80 Lakhs (previous year ₹ 71,379.80 Lakhs) from various banks without any security. This includes ₹ 7,590.00 Lakhs towards project to be executed in Myanmar by EPI-C&C JV, which includes ₹ 4,554. 00 Lakhs towards bank guarantee issued on behalf of its lead partner i.e. C&C Constructions Limited and ₹ 3,036.00 Lakhs on its own behalf.

b) In lieu of BG provided by EPIL for ₹ 4,554.00 Lakhs on behalf of C&C Constructions Limited in Myanmar Project, EPIL has received ₹ 1,906.64 Lakhs and balance is secured against work done in Oman. C&C Construction Limited our 60% stake partner in Myanmar joint venture "EPI - C&C JV (unincorporated)" and our main contractor in our Oman Project is currently facing insolvency proceedings in NCLT and matter is at advance stage. Outcome and its financial impact on EPIL'S Financial Statements is not ascertainable.

Note No. 2.30

Disclosure as per AS-17

The company has identified two primary segments namely Domestic and Foreign. Accordingly, the segment information is as under-

Primary Segment Information (Geographic)

(Amount in ₹ Lakhs)

Particulars	Current Year (2020-21)				Previous Year (2019-20)			
	Domestic	Foreign	Un-allocated	Total	Domestic	Foreign	Un- allocated	Total
Type of Business	**Construction**				**Construction**			
Revenue from Operation	53,041.40	27,520.77	-	80,562.17	62,248.86	71,410.09	-	1,33,658.95
Other Income	154.18	17.05	340.72	511.95	476.48	115.55	81.26	673.29
Total Income	**53,195.58**	**27,537.82**	**340.72**	**81,074.12**	62,725.34	71,525.64	81.26	1,34,332.24
Results								
Profit before Interest, Depreciation and Tax	(1,214.98)	319.80	(2,341.96)	(3,237.14)	66.65	3,529.03	(1,839.90)	1,755.78
Interest	240.97	-	791.34	1,032.31	242.00	-	610.41	852.41
Depreciation	42.24	5.60	51.52	99.36	58.56	6.30	44.26	109.12
Profit before Tax	(1,498.18)	314.20	(3,184.83)	(4,368.81)	(233.90)	3,522.73	(2,494.57)	794.26
Profit After Tax	(1,498.18)	248.77	(3,724.90)	(4,974.31)	(233.90)	2,913.13	(2,587.20)	92.03
Capital Expenditure Addition to Tangible and Intangible Assets)	27.15	1.06	73.06	101.27	28.72	4.33	56.77	89.82
Other Information	**As at 31st March 2021**				As at 31st March 2020			
Total Assets	1,26,217.89	45,032.40	11,738.54	1,82,988.83	1,21,437.27	59,457.06	14,989.71	1,95,882.04
Property, Plant and Equipment & Intangible Assets (Carrying Amount)	141.70	25.77	631.90	799.36	241.53	32.76	529.23	803.52
Total Liabilities	1,15,431.08	44,795.93	7,907.38	1,68,134.38	1,01,626.70	58,737.33	15,662.65	1,76,025.68

Note No. 2.31

Disclosure pursuant to requirements of Accounting Standard 7 "Construction Contracts"

(Amount in ₹ Lakhs)

Sl. No.	Particulars	As at 31.03.2021	As at 31.03.2020
1	Revenue from operations	**80,562.17**	1,33,658.95
2	Contract costs incurred and profit recognised upto the reporting date	**10,72,521.64**	12,16,745.13
3	Advances received	**40,469.83**	33,601.62
4	Gross amount due from customers for contract work- presented as an asset (Unbilled Revenue)	**24,937.04**	27,748.35
5	Gross amount due to customers for contract work – presented as a liability. (Advance Revenue for Work)	**5,880.27**	5,837.56
6	Retention money Receivable	**25,027.90**	24,264.55

Note No. 2.32

Details of Employee benefits as per AS-15:-

i) Changes in defined benefit obligation

Particulars	Gratuity	Long term compensated absences	Long service award	Post-retirement medical benefit	Post-retirement Travel Allownace
	(Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)
Discount rate	6.50% *(6.60%)*	6.50% (6.60%)	6.50% (6.60%)	6.50% (6.80%)	6.50% (6.60%)
Rate of increase in compensation levels/ Premium Inflation/ Cost of Travel	3.00%	3.00%	-	3.00%	3.00%
Expected rate of return on assets	6.50% *(6.60%)*	- -	- -	- -	- -
Retirement Age *	60 years	60 years	60 years	60 years	60 years
Mortality Table	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	Pre-retirement: IALM(2012-14) Ultimate Post Retirement:LIC (1996-98) Ult	IALM (2012-14) Ultimate
Age*	Employee Turnover (%)				
Upto 35 Years	3.00%	3.00%	3.00%	3.00%	3.00%
From 36 to 45 Years	2.00%	2.00%	2.00%	2.00%	2.00%
Above 46 Years	1.00%	1.00%	1.00%	1.00%	1.00%

* Same as previous year

(Amount in ₹ Lakhs)

Particulars	Gratuity	Long term compensated absences	Long service award	Post-retirement medical benefit	Post-retirement Travel Allownace
	(Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)
Projected Benefit Obligation at the beginning of year	1,669.24 *(1,728.93)*	1,462.65 *(1,506.23)*	24.09 *(18.64)*	1,705.57 *(1,850.47)*	5.52 *(3.56)*
Current service cost	86.77 *(91.71)*	98.34 *(103.69)*	0.95 *(0.85)*	32.62 *(36.41)*	0.26 *(0.27)*
Interest cost	101.45 *(117.32)*	88.77 *(103.59)*	1.44 *(1.22)*	111.86 *(137.59)*	0.18 *(0.20)*
Actuarial (Gain)/loss	17.48 *(46.12)*	142.23 *(161.21)*	1.28 *((9.88))*	45.75 *((35.66))*	(0.75) *(1.96)*
Acquisition adjustment	- *9.69*	- -	- -	- -	- -
Benefits Paid	(203.53) *((324.53))*	(194.48) *((412.08))*	(4.85) *((6.49))*	- *((283.24))*	(0.90) *((0.46))*
Past Service Cost	—	—	—	—	—
	—	—	—	—	—
Projected Benefit Obligation at end of year	1,671.42 *(1,669.24)*	1,597.51 *(1,462.65)*	22.91 *(24.09)*	1,895.80 *(1,705.57)*	4.32 *(5.52)*

ii) Changes in the Fair Value of Plan Assets (Gratuity)

(Amount in ₹ Lakhs)

Particulars	2020-21	2019-20
	(Funded)	(Funded)
Fair value of Plan Assets as at beginning of the year	1,671.42	1,699.77
Expected Return on Plan Assets	94.66	118.58
Actual Contributions	144.32	29.16
Actuarial Gain / (Loss)	(3.12)	(7.75)
Benefits Paid	(203.53)	(324.53)
Acquisition Adjustment	-	9.69
Fair value of Plan Assets as at end of the year	1,557.25	1,524.92

iii) Amount recognized in the Balance Sheet

(Amount in ₹ Lakhs)

Particulars	Gratuity	Long term compensated absences	Long service award	Post-retirement medical benefit	Post-retirement Travel Allowance
	(Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)
Defined benefits obligation as at end of year	1,671.42 *(1,669.24)*	1,597.51 *(1,462.65)*	22.91 *(24.09)*	1,895.80 *(1,705.57)*	4.32 *(5.52)*
Fair value of plan assets as at end of year	1,412.92 *(1,524.92)*	- -	- -	- -	- -
Funded Status Asset / (Liability)	(258.50) *((144.32))*	(1,597.51) *((1462.65))*	(22.91) *((24.09))*	(1,895.80) *((1705.57))*	(4.32) *((5.52))*
Net (Liability)/ Asset recognized in Balance Sheet	(258.50) *((144.32))*	(1,597.51) *((1462.65))*	(22.91) *((24.09))*	(1,895.80) *((1705.57))*	(4.32) *((5.52))*

iv) Expenses recognized in the Profit and Loss Account

(Amount in ₹ Lakhs)

Particulars	Gratuity	Long term compensated absences	Long service award	Post-retirement medical benefit	Post-retirement Travel Allowance
	(Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)
Current Service cost	86.77 *(91.71)*	98.34 *(103.69)*	0.95 *(0.85)*	32.62 *(36.41)*	0.26 *(0.27)*
Interest cost	101.45 *(117.32)*	88.77 *(103.59)*	1.44 *(1.22)*	111.86 *(137.59)*	0.18 *(0.20)*
Expected return on Plan Assets	(94.66) *((118.58))*	- -	- -	- -	- -
Net actuarial (Gain)/ Loss recognized in the period	20.60 *(53.86)*	142.23 *(161.21)*	1.28 *(9.88)*	45.75 *((35.66))*	(0.75) *(1.96)*
Past Service Cost	- -	- -	- -	- -	- -
Expenses recognized in the P & Loss A/c	114.17 *(144.32)*	329.34 *(368.49)*	3.67 *(11.95)*	190.23 *(138.34)*	(0.31) *(2.42)*

v) Comparative Data of last five years - Gratuity

(Amount in ₹ Lakhs)

S. No.	Particulars	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017
a)	Defined benefit obligation at the end of period	**1,671.42**	1,669.24	1,728.93	1,874.04	1,283.39
b)	Plan asset at the end of period	**1,412.92**	1,524.92	1,699.77	1,196.01	1,240.13
c)	Funded Status	**(258.50)**	(144.32)	(29.16)	(678.03)	(43.26)
d)	Experience adjustment on plan Liabilities (loss) / gain	**(258.50)**	(144.32)	(29.16)	(678.03)	(43.26)

vi) Comparative Data of last five years - Leave encashment

(Amount in ₹ Lakhs)

S. No.	Particulars	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017
a)	Defined benefit obligation at the end of period	1,597.51	1,462.65	1,506.23	1,291.87	1,347.23
b)	Fair value of Plan asset at the end of period	-	-	-	-	-
c)	Funded Status	(1,597.51)	(1,462.65)	(1,506.23)	(1,291.87)	(1,347.23)
d)	Net (Liability)/Asset recognized in Balance Sheet	(1,597.51)	(1,462.65)	(1,506.23)	(1,291.87)	(1,347.23)

vii) Comparative Data of last five years - Long Service Award

(Amount in ₹ Lakhs)

S. No.	Particulars	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017
a)	Defined benefit obligation at the end of period	22.91	24.09	18.64	30.66	44.88
b)	Fair value of Plan asset at the end of period	-	-	-	-	-
c)	Funded Status	(22.91)	(24.09)	(18.64)	(30.66)	(44.88)
d)	Net (Liability)/Asset recognized in Balance Sheet	(22.91)	(24.09)	(18.64)	(30.66)	(44.88)

viii) **Comparative Data of last five years - Post Retirement Medical Benefits**

(Amount in ₹ Lakhs)

S. No.	Particulars	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017
a)	Defined benefit obligation at the end of period	1,895.80	1,705.57	1,850.47	1,760.56	1,846.51
b)	Fair value of Plan asset at the end of period	-	-	-	-	-
c)	Funded Status	(1,895.80)	(1,705.57)	(1,850.47)	(1,760.56)	(1,846.51)
d)	Net (Liability)/Asset recognized in Balance Sheet	(1,895.80)	(1,705.57)	(1,850.47)	(1,760.56)	(1,846.51)

ix) **Comparative Data of last five years - Leave Travel Concession**

(Amount in ₹ Lakhs)

S. No.	Particulars	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017
a)	Defined benefit obligation at the end of period	4.32	5.52	3.56	2.97	7.85
b)	Fair value of Plan asset at the end of period	-	-	-	-	-
c)	Funded Status	(4.32)	(5.52)	(3.56)	(2.97)	(7.85)
d)	Net (Liability)/Asset recognized in Balance Sheet	(4.32)	(5.52)	(3.56)	(2.97)	(7.85)

Figures of previous year are indicated in italics & brackets (*).

The company provides for gratuity, long term compensated absences, post-retirement medical benefits, long service award and one time post retirement travelling allowance on actuarial basis as per provision of AS-15.

Note No. 2.33

Related Party Disclosures

In accordance with Accounting Standard-18 "Related Party Disclosures" specified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts), Rules 2014, the names of related parties along with aggregate amount of transactions as identified and certified by the management are given as follows-

(i) Shri R. P. Singh, GM (Finance) Bharat Heavy Electricals Ltd. has been entrusted the Additional Charge of the Post of Director (Finance) for a period of six (6) months with effect from 02.06.2020 or till the appointment of regular incumbent to the post or until further orders, whichever is earlier. He has been associated with the Company till 15.10.2020.

(ii) Key Management Personnel with whom there were transactions during the year:

- ➢ Shri. D. S. Rana, Chairman & Managing Director (w.e.f. 19.09.2019)
- ➢ Shri H. N. Thakur, Director (Projects) (w.e.f. 21.10.2019)
- ➢ Shri R. P. Singh, Director (Finance) (w.e.f. 02.06.2020 upto 15.10.2020)
- ➢ Shri P M Chandraiah, Director (Finance) (w.e.f. 16.10.2020) and Chief Financial Officer (w.e.f. 21.11.2020).
- ➢ Shri. N. K. Sharma, Chief Financial Officer (upto 20.11.2020)
- ➢ Shri Nitesh Kumar Goyal, Company Secretary (w.e.f. 17.07.2020)
- ➢ Smt. Deepika Mehta, Company Secretary (upto 01.06.2020)

iii) EPI Urban Infra Developers Limited (EPIUIDL) was incorporated as Subsidiary of EPIL on 19.5.2016. The summary winding up petition under Section 361 of the Companies Act 2013 in respect of EPIUIDL is pending for approval with Regional Director.

Details of Directors/CEO in EPIUIDL, Subsidiary of EPI during the year 2020-21:

1. Shri Kapil Tara, ED (WRO), EPI (under suspension from EPI w.e.f. 20.03.2017) as Part Time CEO (KMP), EPIUIDL superannuated on 30.09.2020.
2. Shri Nandkishor Motilal Shah, Part Time Director representing BUIDPL.
3. Shri Baman Keki Dinshah Bamanji Mehta, Part Time Director representing DCPL (resigned on 19.08.2021).

Details of transactions with subsidiary Company.

(Amount in ₹ Lakhs)

Particulars	**As on 31st March 2021**	**As on 31st March 2020**	**Nature**
Opening Balance (Amount Recoverable) {A}	2.13	2.13	Debit
Reimbursement of Expenses on behalf of Subsidiary {B}	-	-	Debit
Amount Received from Subsidiary {C}	-	-	Credit
Closing Balance (Amount Recoverable) {D} [D = A + B - C]	2.13	2.13	Debit

iv) A Joint Venture "EPI-C&C JV" (Unincorporated) was formed on 2nd August 2017 between Engineering Projects (India) Ltd and C&C Construction Limited for Construction of Two Lane Road on NH specification from Paletwa to India-Myanmar Border (Zorinpui) from Km 0.00 to KM 109.20 on EPC mode in Chin State of Myanmar having participating interest of 60% for C&C Construction Ltd and 40% for Engineering Projects (India) Ltd. C&C Construction Ltd will act as lead partner of JV. "EPI-C&C JV" has been treated as jointly controlled operation.

v) The following transactions were carried out with related parties in ordinary course of business

Details of Directors Remuneration

(Amount in ₹ Lakhs)

Particulars	2020-21	2019-20
Salary*	**96.58**	55.97
Contribution to provident fund	**7.58**	4.67
House rent/Lease Rent	-	-
Medical Expenses	**7.95**	7.70
Sitting fees	-	1.40

*Shri R. P. Singh Director-Finance (Addl. Charge) was not employed in the company and no salary/allowances have been paid to him during the FY 2020-21.

Note No. 2.34

Quantitative details for the stock of construction material are given below:

Particulars	As at 31 March 2020-21		As at 31 March 2020	
	Quantity (MT)	Value (₹ in Lakhs)	Quantity (MT)	Value (₹ in Lakhs)
CEMENT	-	-	-	-
STEEL	38.22	17.85	253.20	102.17
STEEL PIPES	-	-	-	-

Note No. 2.35

As decided by Cabinet Committee on Economic Affairs (CCEA), the process of strategic disinvestment of Engineering Projects (India) Ltd. is in progress. The activity of Strategic Disinvestment is carried out GOI wherein all the committees' constitution, selection of intermediaries such as TA/LA etc. was appointed by DIPAM/DHI.

Presently the activity of Asset monetization (under Disinvestment scheme) in accordance with the DIPAM Policy/guidelines/framework is in process.

Note No. 2.36

Disclosure under Accounting Standard-29 on "Provisions, Contingent Liabilities and Contingent Assets":

(Amount in ₹ Lakhs)

Particulars	Opening Balance	Provision made during the year	Paid/Adj. during the year	Provision written back	Closing Balance
(i)	(ii)	(iii)	(iv)	(v)	(vi)=(ii+iii-iv-v)
Project Contingencies*	3,314.07	-	-	-	**3,314.07**
Employee Benefits	3,342.15	637.41	324.16	0.31	**3,655.10**
Pay Revision (3rd PRC)	693.08	-	11.13	-	**681.96**
Total	**7,349.31**	**637.41**	**334.88**	**0.31**	**7,651.12**
Previous Year	7,430.82	692.63	773.73	-	7,349.31

* Provision made for receivable amount on project basis (net of payable).

Note No. 2.37

Management has made an assessment and found that there is no indication of any impairment in the value of fixed assets. Hence no provision is required to be made as on 31st March 2021.

Note No.2.38

In accordance with provisions of Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average of its net profit from the immediately preceding three financial years on Corporate Social Responsibility (CSR). Gross amount spent by the Company for CSR and Sustainability during the year is ₹ 1.33 Lakhs (being amount carried forward from budgets of previous year).

Note No. 2.39

Basic and diluted earnings per share are computed by dividing net loss after tax ₹ 4974.31 Lakhs (previous year net profit after tax ₹ 92.03 Lakhs) by 3,54,22,688 fully paid up equity share of ₹ 10 each.

	2020-21	2019-20
Basic and diluted earnings per share (₹)	**(14.04)**	0.26

Note No. 2.40

A subsidiary Company of EPI was incorporated on 19th May 2016 as "EPI Urban Infra Developers Limited" (EPIUIDL) with paid up capital of Rs. 10 lakhs consisting of equity participation of 51% by EPI, 39% by M/s. Bharat Urban Infra Developers Pvt. Ltd., Solapur (BUIDPL) and 10% by M/s Darashaw & Co. Pvt. Ltd., Mumbai (DCPL), for development of land parcels etc.

The Subsidiary Company is non-operational since its incorporation. Being Government Company, proposal for appointment of Directors including approval for Interim Board comprising first directors was submitted for Government approval and in the meantime, Government initiated action for strategic disinvestment of EPI. Since Government did not support formation of the subsidiary, EPIL approved closure of EPIUIDL through voluntary liquidation/voluntary winding subject to the approval by the Shareholders of EPIUIDL and Administrative Ministry agreed for closure of EPIUIDL. However the closure through voluntary liquidation was not approved by BUIDPL on 01st AGM of EPIUIDL held on 20.12.2017. Subsequent efforts of EPI to offer its shares to the other two shareholders was not successful. Board of EPI has decided to approach the concerned authorities for other options of closure/exit.

In view of this during F.Y. 2016-17, 100% provision has already been made against the investment of ₹ 5.10 Lakhs in subsidiary company.

Note No. 2.41

Central Bureau of Investigation (CBI) has registered 3 cases and filed FIRs against some employees of EPI out of which 2 cases have been registered during the year 2017-18 and 1 case in F.Y. 2016-17. The cases are in respect of alleged illegal gratification taken by the accused employees of EPI for award of tenders. EPI is not named as party in the FIRs and no financial impact on its financial statements is envisaged.

However, as on date, investigation in above matter is still in progress.

Note No. 2.42

National Water Supply & Drainage Board (NWSDB), Srilanka (client) rejected HDPE pipes supplied by Chinese manufacturer/ supplier against the awarded project in Vavuniya water supply scheme to EPIL due to poor quality of pipes and asked EPIL to replace the same with good ones. EPIL released the payment to Chinese supplier, however EPIL in turn got its (around 96%) payment from NWSDB Srilanka as per terms of agreement. Claim of equivalent ₹ 18.78 crore has been lodged in Arbitration against the manufacturer on 31.10.2016. The arbitrator awarded the claim vide award dated 29.01.2018 in favour of EPIL for ₹ 1725 Lakhs (approximate) and now EPIL proceeded to Commercial High Court of Colombo for conversion of Arbitration into decree for invocation of same in China from Chinese manufacturer (Jiangsu Qianlong New Material Co Ltd.). Expected loss on account of replacement of rejected pipes and time & cost overrun is of ₹ 1667 Lakhs (approximate) (considering residual value of the pipes) till the completion of the project.

Note No. 2.43

The balances of Trade receivables, loans & advances, client's advances, retention money, security deposits receivable/payable and Trade payable are subject to receipts of confirmation and reconciliation. In the opinion of the management, the impact of it on the financial statements is not significant.

Note No. 2.44

In the opinion of the management, the value of Current assets on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

Note No. 2.45

a) Total amount receivable from M/s Uranium Corporation of India Ltd (UCIL) on account of Trade receivable, Retention & other recoverable stands at ₹ 2,368.96 Lakhs as on 31.03.2021. The above amount is more than 10 years old & is under constant persuasion for realization. Pending final settlement, based on experience/progress/assessment of the matter by the management, a provision of ₹ 443.77 Lakhs is made upto 31.03.2021. During the year 2020-21, various communications for recovery have been made with UCIL. The outcome of the same may come in this current FY i.e. 2021-22.

b) Bihar Police Academy Rajgir Project, was terminated by the client in the month of April 2017. The total amount recoverable from sub agency was ₹ 4,306.22 Lakhs as on 31.03.2021, the same is shown as 'Recoverable from Client, Vendors & Others' under 'Other Non-Current Assets' in Note 2.12. The matter is under arbitration both with client & sub agency.

c) During the financial year 2018-19, a part of the total contract valuing ₹ 8,329.77 Lakhs relating to Design, Supply, Erection & Commissioning of plant equipments for 5 LLPD dairy Plant, 30 MTPD powder plant complete & services & laboratory set up at Dehri on Sone, was terminated by client. Total amount of ₹ 430.50 Lakhs, excess recovered against mobilization advance by client has been shown under 'Other Non-Current Assets- Recoverable from Client Vendors & Others' in Note 2.12. The matter is under arbitration.

Note No. 2.46

In respect of work awarded to the company in capacity of Project Management Consultant (PMC) with scope of work involving, inter alia ,appointment of contractors for construction activities, monitoring and supervision of contractors, payment to contractors out of funds provided by the Employer, the company recognizes entire Cost of work of the Contractor including the PMC fees as its turnover under revenue head "Work Done" and correspondingly Cost of Work of the Contractor is recognized under Works Costs. Assets and Liabilities associated with such projects and held in trust on behalf of the Employer is recognized as Assets and Liabilities of the company in its Balance Sheet under respective heads. This is being following consistently on a consistent basis by the company treating its contracts as Cost plus Contract under Accounting Standard -7.

Note No. 2.47

Head office expenditure on account of salary and other related costs amounting to ₹ 402.71 Lakhs (₹ 1,248.65 Lakhs in previous year) has been allocated to Oman during the FY 2020-21 for incorporating in Oman branch accounts for claiming the deduction of expenses on account of the same in accordance with the Oman Income Tax rules and regulations.

Note No. 2.48

The company has taken certain Office and residential premises on operating lease which are cancellable by giving appropriate notices as per respective agreements. During the year an amount of ₹ 203.33 Lakhs (₹193.04 Lakhs in previous year) has been charged towards these cancellable operating leases.

The company has taken certain assets like car on non – cancellable operating leases. During the year an amount of ₹ 13.52 Lakhs (Previous year ₹ 8.24 Lakhs) has been paid towards these non- cancellable operating leases. The future minimum lease payments in respect of these leases are as follows:

i) Payable not later than 1 year ₹ 16.74 Lakhs (Previous year ₹ 9.55 Lakhs)

ii) Payable later than 1 year and not later than 5 years ₹ 33.15 Lakhs (Previous year ₹ 13.14 Lakhs).

iii) Payable later than 5 years Nil. (Previous year Nil)

Note No. 2.49

Disclosure in respect of Joint Venture;

S. No.	Name of the Joint Operations (Unincorporated)	Partners and Country of Origin	Participating Interest (in %) as at 31st March	
			2021	2020
1.	EPI-C&C JV	C&C Construction Limited, India. Engineering Projects (India) Limited, India.	60% 40%	60% 40%

Note No. 2.50

Dividends payable to the shareholders are recognized in the period in which they are approved by the shareholders. During this year, Company has paid an amount of ₹ 27,61,028/- (30 % of PAT i.e. ₹ 92,03,428/-) (i.e. Rs. 0.08 per share of Face value Rs. 10 each) as dividend to its shareholders for the FY 2019-20.

Note No. 2.51

The previous year figures have been reclassified, regrouped and recast to conform to current year's classification/ grouping.

Note No. 2.52

In early 2020, the existence of COVID-19 was confirmed and since then the virus has spread across the globe necessitating the World Health Organization (WHO) to declare it a global pandemic. The pandemic has caused disruption to businesses and economic activity across the globe.

This year, the COVID-19 pandemic and national lockdown severely impacted the social sector as much as the economy. Health, Infrastructure, Construction, Education, Skilling were among the most seriously impacted sectors. It is evident that communicable diseases such as COVID-19 have the potential to inflict severe economic and financial costs on Indian Economy. Because of high transportation connectivity, globalization, and economic interconnectedness, it has been extremely difficult and costly to contain the virus and mitigate the importation risks once the disease started to spread in multiple locations.

The EPIL recorded revenues of ₹ 80562.17 Lakhs during FY2020-21, registering a decline of 39.73%. The decline was mainly due to the slowdown of project execution affected due to lockdown-related disruptions in first half of the year. The Company will continue to evaluate the pandemic-related uncertainty arising from the on-going second wave and its assessment.

As per our report of even date attached

For and on behalf of Board of Directors

Chartered Accountants
Firm Registration No. - 013838N /N500003

Sd/-		
(CA Sanjay Kumar Gupta)	**Sd/-**	**Sd/-**
Designated Partner	**(RAJ PAL SINGH)**	**(DHIRENDRA SINGH RANA)**
Membership No. 093056	**Director (Finance)**	**Chairman cum Managing Director**
Date: 22nd November'2021	**DIN No. 08750557**	**DIN No. 07022825**
Place: New Delhi		
UDIN:21093056AAAALI4097	**Sd/-**	**Sd/-**
	(KAPIL MOHAN SAXENA)	**(NITESH KUMAR GOYAL)**
	ED (Finance) & CFO	**Company Secretary**

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1.	Name of the subsidiary	EPI Urban Infra Developers Limited
2.	The date since when subsidiary was acquired/incorporated	19^{th} May 2016
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.#	Same as that of holding company (1.04.2020-31.03.2021)
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
5.	Share capital *	10,00,000
6.	Reserves and surplus	-5,97,530
7.	Total assets	6,15,601
8.	Total Liabilities	6,15,601/-
9.	Investments	-
10.	Turnover	-
11.	Profit before taxation	-
12.	Provision for taxation	-
13.	Profit after taxation	-
14.	Extent of shareholding (in percentage)	51%
15.	Proposed Dividend	NIL

Notes:

Names of subsidiaries which are yet to commence operations	Nil
Names of subsidiaries which have been liquidated or sold during the year.	Nil

* Share Capital includes Issued and Paid up capital.

Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	Name of Associates or Joint Ventures	EPI-C&C JV
1.	Latest audited Balance Sheet Date #	Nil
2.	Date on which the Associate or Joint Venture was associated or acquired	02.08.2017
3.	Shares of Associate or Joint Ventures held by the company on the year end	
	No. of Shares held	Nil
	Amount of Investment in Associates or Joint Venture	Nil
	Extent of Holding (in percentage)	40%
4.	Description of how there is significant influence	N.A
5.	Reason why the associate/joint venture is not consolidated	N.A
6.	Networth attributable to shareholding as per latest audited Balance Sheet (EPI-C&C JV)	Nil
7.	Profit or Loss for the year	
	i. Considered in Consolidation	Nil
	ii. Not Considered in Consolidation	Nil

No details has been received as the expences are Nil. Therefore nothing is considered for consolidation.

For and on behalf of Board of Directors

Chartered Accountants
Firm Registration No. - 013838N /N500003

Sd/-
(CA Sanjay Kumar Gupta)
Designated Partner
Membership No. 093056
Date: 22nd November'2021
Place: New Delhi
UDIN: 2109305AAAALI4097

Sd/-
(RAJ PAL SINGH)
Director (Finance)
DIN No. 08750557

Sd/-
(DHIRENDRA SINGH RANA)
Chairman cum Managing Director
DIN No. 07022825

Sd/-
(KAPIL MOHAN SAXENA)
ED (Finance) & CFO

Sd/-
(NITESH KUMAR GOYAL)
Company Secretary

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF ENGINEERING PROJECTS (INDIA) LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of Engineering Projects (India) Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under section 143(10) of the Act. This is stated to have been Revised Audit Report dated 23 December 2021 which supersedes their earlier Audit Report dated 22 November 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Engineering Projects (India) Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. The Audit Report has been revised by the statutory auditor to give effect to six of my audit observations raised during supplementary audit.

In addition, I would like to highlight the following significant matter under section 143(6)(b) of the Act which have come to my attention and which in my view is necessary for enabling a better understanding of the financial statements and the related audit report.

A. Comment on Profitability

A.1 Current Liabilities

Short-Term Provisions (Note No. 2.8): ₹ 14.18 crore

Above does not include ₹ 16.76 crore on account of rent and other charges payable in respect of office premises at Kolkata. The Company entered (April 1982) into a lease agreement with M/s Orient Beverage Limited (OBL)[1] for hiring of office premises for its Eastern Regional Office (ERO), Kolkata. The lease agreement expired in September 2015 and the Company received an eviction notice dated 20 September 2015. The efforts of the Company for extension of lease did not fructify and M/s Square Four Assets Management Company (SFAM) filed (June 2016) a case in Kolkata High Court against EPIL & other occupants for eviction from the said property

and recovery of rent, etc. The Company, with the approval of its CMD, held (1 October 2020) a negotiation meeting with SFAM and agreed to pay an amount of ₹ 16.02 crore (till December 2020) and to vacate the premises by 31 December 2020 on the condition that present court case in High Court will be withdrawn

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[1]The original lease agreement was signed between Raja Dhirendra Nath Mullick & Others (Trustee and Landlord) and Orient Beverage Limited (earlier known as AELPO Finance Limited) in September 1965 for a period of 50 years. Thereafter, the Trustee granted the lease in favor of M/s Square Four Assets Management Company w.e.f 1 October 2015.

by SFAM. The rates agreed to in the meeting were on the basis of Kolkata High Court's order (July 2017) in the matter of ONGC Limited which is identical to the Company. ONGC vacated the premises after payment of dues as per Court's orders.

SFAM (December 2020), however, raised the demand towards interest (which had been waived off in the meeting dated 1 October 2020) and claimed an amount of ₹ 7.15 crore towards interest.

The case has not been withdrawn by SFAM and is still pending in High Court Kolkata.

Further, the Board of Directors of the Company in the meeting held on 22 November 2021, viewed that, *'there is nothing constructive in carrying out the litigation for long and advised to dispose of the matter at earliest with the amicable settlement with the party'.*

Accordingly, amount of ₹ 16.76 crore[2] should have been considered as probable liability and a provision for the same should have been made in line with para 30 of IND AS 37, (Provisions, Contingent liabilities and Contingent Assets) which stipulates that, 'If it is probable that an outflow of future economic benefits will be required for an item, a provision is recognized in the financial statements of the period in which the change in probability occurs.'

This has resulted in understatement of short-term provisions and Loss by ₹ 16.76 crore.

For and on behalf of
Comptroller & Auditor General of India

Sd/-
(Vidhu Sood)
Principal Director of Audit
(Industry & Corporate Affairs)
New Delhi

Place: New Delhi
Date: 31.12.2021

[2] Provision for the period 01.10.2015 to 31.03.2021 as estimated by the Eastern Regional Office of EPIL

Company's Reply on C&AG Comments on the Standalone Financial Statements of Engineering Projects (India) Limited for the year ended on 31st March 2021

In regard to Comments, we submit that The Plaintiff, M/s Square Four Assets Management and Reconstructions Company Pvt. Ltd, has filed a case against EPIL & other occupants of 50 Chowringhee Road, Kolkata, on 23.06.2016 before the Hon'ble Calcutta High Court after expiry of lease on 30.09.2015. The matter is sub-judice since then. The same has been placed to the Board of Directors in their 277th Board Meeting with a proposal for making provisioning in the books of account of EPIL in FY 2020-21. Since the matter is sub-judice with Hon'ble Court, Board has discussed this agenda in detail and directed CMD for finding out the amicable solution and put up in the upcoming Board Meeting.

Meanwhile EPIL will also analyse the matter in detail keeping the view of Board in mind and take a review in the said matter once again in the current financial Year for taking appropriate action. As the matter is sub-judice with Hon'ble Court and Board has directed for amicable settlement, it is not prudent to make provisions in the books of accounts for the period ending 31.03.2021. However the same shall be reviewed and considered accordingly in the financial year 2021-22.

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ENGINEERING PROJECTS (INDIA) LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of consolidated financial statements of Engineering Projects (India) Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 23 December 2021 which supersedes their earlier Audit Report dated 22 November 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Engineering Projects (India) Limited for the year ended 31 March 2021 under section 143(6) (a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Engineering Projects (India) Limited (the Company) but did not conduct supplementary audit of the financial statements of EPI Urban Infra Developers Limited[1] (the Subsidiary) for the year ended on that date. Further, section 139 (5) and 143 (6) (a) of the Act are not applicable to EPI-C&C (Joint Venture), being unincorporated private entity in Foreign country under the respective laws, for appointment of their Statutory Auditor and for conduct of supplementary audit. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. The Audit Report has been revised by the statutory auditor to give effect to six of my audit observations raised during supplementary audit.

In addition, I would like to highlight the following significant matter under section 143(6)(b) read with section 129(4) of the Act of the Act which have come to my attention and which in my view is necessary for enabling a better understanding of the consolidated financial statements and the related audit report:

A. Comments on Consolidated Profitability

A.1 Current Liabilities

Short Term Provisions (Note No. 2.8) – ₹ 14.18 crore

Above does not include ₹ 16.76 crore on account of rent and other charges payable in respect of office premises at Kolkata. The Company entered (April 1982) into a lease agreement with M/s Orient Bevearge Limited (OBL)[2] for hiring of office premises for its Eastern Regional Office (ERO), Kolkata. The lease

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[1]*Annual accounts of the Subsidiary have not been submitted for supplementary audit*

[2]*The original lease agreement was signed between Raja Dhirendra Nath Mullick & Others (Trustee and Landlord) and Orient Beverage Limited (earlier known as AELPO Finance Limited) in September 1965 for a period of 50 years. Thereafter, the Trustee granted the lease in favor of M/s Square Four Assets Management Company w.e.f 1 October 2015.*

agreement expired in September 2015 and the Company received an eviction notice dated 20.09.2015. Company's efforts for extension of lease did not fructify and M/s Square Four Assets Management Company (SFAM) filed (June 2016) a case in Kolkata High Court against EPIL & other occupants for eviction from the said property and recovery of rent etc. The Company, with the approval of its CMD, held (1 October 2020) a negotiation meeting with SFAM and agreed to pay an amount of Rs. 16.02 crore (till December 2020) and to vacate the premises by 31 December 2020 on the condition that present court case in High Court will be withdrawn by SFAM. The rates agreed to in the meeting were on the basis of Kolkata High Court's order (July 2017) in the matter of ONGC Limited which is identical to the Company. ONGC vacated the premises after payment of dues as per Court's orders.

SFAM (December 2020), however, raised the demand towards interest (which had been waived off in the meeting dated 1 October 2020) and claimed an amount of Rs. 7.15 crore towards interest. The case has not been withdrawn by SFAM and is still pending in High Court Kolkata.

Further, the Board of Directors of the Company in the meeting held on 22 November 2021, viewed that, *there is nothing constructive in carrying out the litigation for long and advised to dispose of the matter at earliest with the amicable settlement with the party'.*

Accordingly, amount of Rs. 16.76 crore[3] should have been considered as probable liability and a provision for the same should have been made in line with para 30 of IND AS 37, (Provisions, Contingent liabilities and Contingent Assets) which stipulates that, "If it is probable that an outflow of future economic benefits will be required for an item, a provision is recognized in the financial statements of the period in which the change in probability occurs.'

This has resulted in understatement of short term provisions and Loss by Rs. 16.76 crore.

For and on behalf of
Comptroller & Auditor General of India

Sd/-
(Vidhu Sood)
Principal Director of Audit
(Industry & Corporate Affairs)
New Delhi

Place: New Delhi
Date: 31.12.2021

[3]*Provision for the period 01.10.2015 to 31.03.2021 as estimated by the Eastern Regional Office of EPIL*

Comany's Reply on C&AG Comments on the Consolidated Financial Statements of Engineering Projects (India) Limited for the year ended on 31st March 2021

In regard to Comments, we submit that The Plaintiff, M/s Square Four Assets Management and Reconstructions Company Pvt. Ltd, has filed a case against EPIL & other occupants of 50 Chowringhee Road, Kolkata, on 23.06.2016 before the Hon'ble Calcutta High Court after expiry of lease on 30.09.2015. The matter is sub-judice since then. The same has been placed to the Board of Directors in their 277th Board Meeting with a proposal for making provisioning in the books of account of EPIL in FY 2020-21. Since the matter is sub-judice with Hon'ble Court, Board has discussed this agenda in detail and directed CMD for finding out the amicable solution and put up in the upcoming Board Meeting.

Meanwhile EPIL will also analyse the matter in detail keeping the view of Board in mind and take a review in the said matter once again in the current financial Year for taking appropriate action. As the matter is sub-judice with Hon'ble Court and Board has directed for amicable settlement, it is not prudent to make provisions in the books of accounts for the period ending 31.03.2021. However the same shall be reviewed and considered accordingly in the financial year 2021-22.

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इंजीनियरिंग प्रोजेक्ट्स (इंडिया) लि.

(भारत सरकार का उद्यम)

ENGINEERING PROJECTS (INDIA) LTD.

(A GOVERNMENT OF INDIA ENTERPRISE)

Core-3 SCOPE Complex, 7 Lodhi Road, New Delhi - 110 003
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