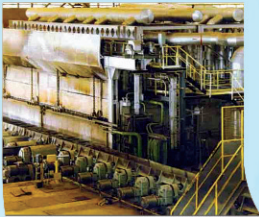




50th ANNUAL REPORT

वार्षिक प्रतिवेदन

2019-2020



इंजीनियरिंग प्रोजेक्ट्स (इंडिया) लि.

(भारत सरकार का उद्यम)

ENGINEERING PROJECTS (INDIA) LTD.

(A GOVERNMENT OF INDIA ENTERPRISE)

Mission / Vision

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

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REFERENCE INFORMATION

REGISTERED OFFICE

Core 3, SCOPE Complex,
7 Lodhi Road, New Delhi - 110 003.
Phone No: 91-11-24361666
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: (033) 40690059, (033) 40064469
E-mail: ero@engineeringprojects.com

Western Regional Office-Mumbai

“Bakhtawar”, 6A, 6th Floor,
Nariman Point, Mumbai- 400 021
Phone: 91-22- 22027585, 22026347
Fax: 91-22-22882177
E-Mail:wromumbai@engineeringprojects.com

Northern Regional Office-Delhi

Core-3, 5th Floor, SCOPE Complex,
7 Lodhi Road, New Delhi – 110 003.
Phone: 91-11-24361666
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 - 600 017.
Phone: 91- 44-28156886, 28156421,
Fax: 91-44-28156629
E-Mail: sro@engineeringprojects.com

North Eastern Regional Office

4th Floor, Hindustan Tower.
Block-A, Jawahar Nagar, National
Highway No.37, Beltola
Guwahati -781022 (Assam)
Phone : 91-8486653300
E-mail : nero@engineeringprojects.com

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: shamsheer-singh@engineeringprojects.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 KPMC & Associates,
Chartered Accountants
709,7th floor, New Delhi house,
Barakhamba Road, CP, New Delhi-110001

BRANCH AUDITORS

M/s. T Selvaraj & Co.
Chartered Accountants
32, Dewan Rama Road, Purasawalkam
Chennai-600084, Tamil Nadu

M/s. M Raghunath & Co.

Chartered Accountants
6, Garstin Place, Ashoka Chambers,
First Floor, Kolkata-700001, West Bengal

M/s. ASL & Co.

Chartered Accountants
302, Eco Space, IT Park, Off Old Nagardas
Road, Mogra Village, Andheri (East),
Mumbai-400069, Maharashtra

M/s. Ravi Rajan & Co.

505A, 5th Floor, D4 Rectangle 1 Building,
District Centre, Saket,
New Delhi- 110017, Delhi

FOREIGN BRANCH AUDITORS

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

Branch Auditors Oman

M/s H.C. & Shah
Chartered Accountants
P.O Box 2508, Ruwi, P.C. 112,
Sultanate of Oman

Branch Auditors Myanmar

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

COST AUDITOR

M/s A.G. Agarwal & Associates
Cost Accountants
IIB/76, Usha Villa, Vaishali, Ghaziabad,
U.P.- 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

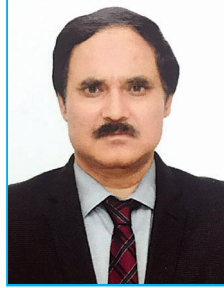
MAIN BANKERS

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



BOARD OF DIRECTORS

(As on date of AGM)



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 PM Chandraiah
Director (Finance)
(w.ef. 16.10.2020)



Smt Sukriti Likhi
Part Time Official Director
[w.e.f. 16.11.2018]



Smt Neelam S. Kumar
Part Time Official Director
[w.e.f. 23.08.2018]



FINANCIAL STATUS FOR LAST FIVE YEARS

(Rs. in Lakhs)

Particulars/Years	2015-16	2016-17	2017-18	2018-19	2019-20
A. Operating Statistics					
Turnover (Operating Income)	129,546.44	162,145.42	160,740.99	179,104.87	1,33,658.95
Other Income	2,772.96	3,397.72	1,526.79	517.51	732.00
Total Income (a)	132,319.40	165,543.14	162,267.78	179,622.38	1,34,390.95
Total Expenditure (b)	127,805.15	164,373.57	161,456.08	181,893.83	1,32,365.16
Gross Margin (a-b)	4,514.25	1,169.57	811.70	(2,271.45)	1,755.79
Interest	580.93	614.25	485.70	501.48	852.41
Depreciation	114.15	143.58	154.68	189.64	109.12
Profit Before Tax (PBT)	3,819.17	411.73	171.32	(2,962.56)	794.26
Income Tax	1,364.55	142.28	157.78	339.94	702.23
Profit After Tax (PAT)	2,454.63	269.45	13.54	(3,302.50)	92.03
Transitional Depreciation Impact on Opening Reserves	-	-	-	-	-
Dividend Paid	1,081.55	-	-	-	-
Dividend Distribution Tax Paid	220.18	-	-	-	-
Balance Carried Forward to Reserves & Surplus	1,152.90	269.45	13.54	(3,302.50)	92.03
No. of Employees	400	372	363	327	303.00
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)	19,241.57	19,511.03	19,524.56	16,222.06	16,314.09
CSR Reserve	-	-	-	-	-
Net Worth (Shareholders' Funds)	22,783.84	23,053.30	23,066.83	19,764.33	19,856.36
Capital Employed	22,783.84	23,053.30	23,066.83	19,764.33	19,856.36
C. Financial Ratios					
Turnover per Employee (Rs. In lakhs)	323.87	435.87	442.81	547.72	441.12
Gross Margin / Turnover (%)	3.48	0.72	0.50	(1.27)	1.31
Profit Before Tax (PBT)/ Turnover (%)	2.95	0.25	0.11	(1.65)	0.59
Profit Before Tax (PBT)/ Net Worth (%)	16.76	1.79	0.74	(14.99)	4.00
Profit After Tax (PAT)/ Net Worth (%)	10.77	1.17	0.06	(16.71)	0.46
Dividend paid / Profit before tax (%)	28.32	-	-	-	-
Dividend paid / Profit after tax (%)	44.06	-	-	-	-
Basic and Diluted EPS (in Rs)	6.93	0.76	0.04	(9.32)	0.26
NAV Per Share having Face Value of Rs.10/-	64.32	65.08	65.12	55.79	56.06



CHAIRMAN'S MESSAGE

Dear Shareholders'

It gives me immense pleasure to welcome you all to this 50th Annual General Meeting of your Company. The 50th Annual Report for the year 2019-20 comprising Directors' Report, including Annexures such as Management Discussion and Analysis Report, Report on Corporate Governance, Report on Corporate Social Responsibility and Sustainability, Audited Annual Accounts (Standalone and Consolidated), Independent & Secretarial Auditors' Report, Comments of Comptroller & Auditor General have been placed before you.

Industry Scenario

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.

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. Therefore the Government has embarked upon many initiatives to boost the infrastructure in India.

Business Opportunities

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.

Marketing Initiatives

Your company's goal is to become a profitable dividend paying company with a MoU Rating- 'Excellent'. The long term vision is to become a 'Mini Ratna Schedule- A Company'.

To realize the aforesaid goal and the vision, EPIL is focusing 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 areas with higher profit margin. Where 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 competitive price and quality leader in the construction industry.

Performance Highlights

During the year 2019-20, your company has achieved an operating turnover of Rs. 1,336 Crore. The total income of the Company for the year 2019-20 is Rs. 1,343 Crore.

During 2019-20, your Company has secured projects worth Rs.1762.12 Crores. 'Industrial, Process Plant, Material Handling, Electrical and Border Management Projects' segment remained the highest contributors (58.82%), to the total turnover of the Company followed by Housing & Building Works including Hospital Projects whose percentage share has increased as compared to last year from 30.64% to 36.05%.

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 rating of the Company in terms of MoU signed by the Company with the Government for the year 2018-19 is to be finalized.

Dividend

Your Directors have recommend Dividend @ 30% of PAT of Rs. 92,03,426/- amounting to Rs. 27,61,028/- (i.e. Rs 0.08 per share of Face value Rs. 10 each) for the financial year 2019-20.

Human Resource

Your 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 has made all efforts to retain its present manpower. EPI aims to become a lean organization with per employee productivity rising to the best industry standards.

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.

Your Company 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 Department of Heavy Industry (DHI).

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.

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 Department 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 of the Meeting
DIN: 07022825

Place: New Delhi

Date: 28th December 2020



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 **50th Annual General Meeting** of the members of Engineering Projects (India) (EPI) Limited will be held on **Monday, 28th December 2020 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 2020 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 2020 comprising Balance Sheet as at 31st March 2020, the Statement of Profit and Loss Account for the year ended 31st March 2020 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, Extract of the Annual Return (MGT-9), 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 2019-20 and to pass the following resolution, with or without modification (s):

“RESOLVED THAT pursuant to the provisions of the Companies Act 2013 and DIPAM guidelines, a Dividend @ 30% of PAT of Rs. 92,03,426/- amounting to Rs. 27,61,028/- (i.e. Rs 0.08 per share of Face value Rs. 10 each) for the financial year 2019-20 be and is hereby declared in favour of Shareholders whose name appear in the Register of Member as on date of Annual General Meeting (AGM).”



Special Business

3. To ratify the remuneration of the Cost Auditor for the financial year 2020-21 as approved by the Circular Resolution on 22nd September 2020 (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 actual for the visits outside Delhi/NCR, 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 2020-21 be and is hereby ratified and confirmed.”

4. To approve Monetization of Non-core Assets of EPI by following DIPAM Guidelines and/ or the Government approved procedure for Asset Monetization and in this regard, to consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 read with Articles of Association of the Company and/or such other approvals, permissions and sanctions of all other concerned authorities and Departments, if and to the extent necessary, the approval of the shareholders be and is hereby accorded to Board of Directors (hereinafter called “the Board”) to dispose off the assets as specified/ identified by the Board as per the asset Monetization Mechanism approved by the Cabinet in its Meeting held on 28.02.2019.”

“RESOLVED FURTHER THAT subject to the provisions of the Companies Act, 2013 and the Articles of Association of the Company and/or such other approvals, permissions and sanctions of all other concerned authorities and Departments, if and to the extent necessary, the consent of the shareholders be and is hereby accorded to the Board for opening of an escrow account for ring-fencing the proceeds from monetization of assets for distribution to the shareholders and/or retain in the company for internal use as approved by the Alternative Mechanism.”

BY ORDER OF THE BOARD OF DIRECTORS

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

Date: 04th December 2020

Place: New Delhi



NOTES:

1. In view of prevalent COVID-19 pandemic situation, the Ministry of Corporate Affairs (“MCA”) has vide its General circular No. 20/2020 dated 05th May 2020 read together with General circulars Nos. 14/2020 dated 08th April 2020 and 17/2020 dated 13th April 2020 (collectively referred to as “MCA Circulars”) has allowed companies to conduct the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) without the physical presence of the Members at the venue. In accordance with the provisions of the Companies Act, 2013 (‘the Act’) and MCA Circulars the AGM of the Company is scheduled to be held through VC/OAVM. This AGM shall be deemed to be held at the Registered Office of the Company.
2. 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 are not applicable 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. In accordance with the provisions of Section 103 of the Companies Act 2013, Minimum Five Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum for the AGM.
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. With respect to appointment of Auditors and fixing their remuneration, it is submitted that C&AG appoints Statutory Auditors for a Government Company in terms of section 139 of the Companies Act, 2013. The remuneration of statutory auditor is fixed by the shareholders in terms of Section 142 of the Companies Act, 2013. 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 in terms of provisions of Companies Act, 2013. Board in its 269th Meeting and 273rd held on 13th November 2019 and 20th November 2020 respectively had fixed a 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 2019-20.

Explanatory Statement pursuant to Section 102(1) of the Companies Act 2013 in respect of Item no 3 & 4 as set out above forming part of the Notice:

Item No. 3: Ratification of remuneration of Cost Auditor

The Board, on the recommendation of the Audit Committee, had appointed M/s A. G. Agarwal & Associates as Cost Auditor to conduct audit of cost records of the Company for the financial year 2020-21 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 for the visits outside Delhi/NCR. 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.

Item No. 4: Monetization of Non-core Assets

DIPAM vide its Office Memorandum dated 8th March 2019 bearing F.No. 3/3/2018/DIPAM-II 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. The objective of the asset monetization programme of the Government is to unlock the value of investment made in public assets. Further an escrow account be opened for ring-fencing the proceeds from monetization of assets for distribution to the shareholders and/or retain in the company for internal use as approved by the Alternate Mechanism. The list of Core & Non Core Assets specified/identified by the Board will be available for inspection by Shareholders during working hours at the Registered Office.

Accordingly the consent of the shareholders is solicited by way of special resolution under the provisions of Section 180(1)(a) of the Companies Act, 2013 for authorizing the Board of Directors of the Company for the Monetization the assets 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 4.

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 & Public Enterprises,
Department of Heavy Industry,
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: 04th December 2020

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 50th Annual General Meeting (and any other adjourned meeting thereof) of the Shareholders of EPI to be held on 28th December 2020 (Monday) 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 50th Annual Report on the performance of the Company during the financial year 2019-20.

1. FINANCIAL HIGHLIGHTS

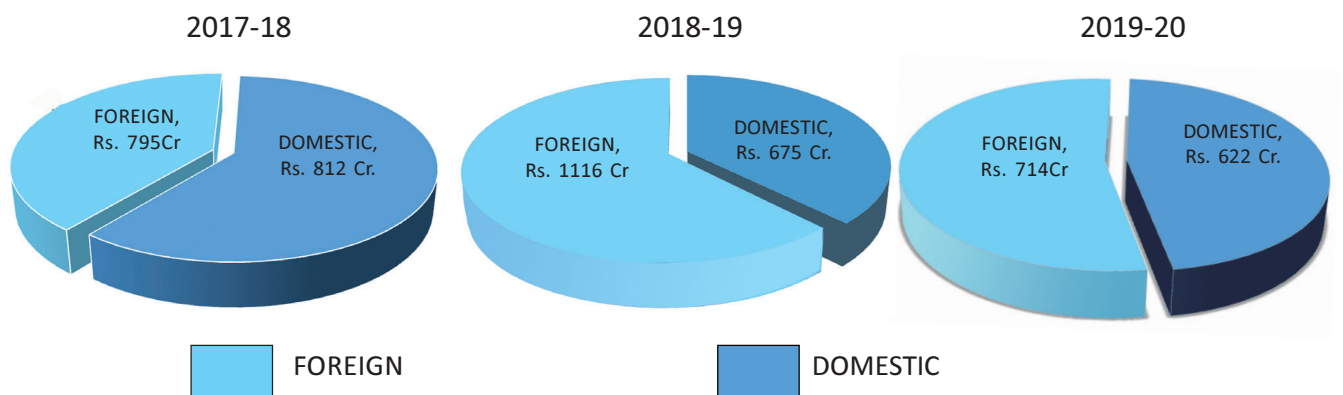
During the year 2019-20, the Company achieved an operating turnover of Rs. 133659 Lakhs as against turnover of Rs. 179105 Lakhs achieved during the previous year. Profit Before Tax (PBT) earned during this period stood at Rs. 794 Lakhs in comparison to Rs (2963) Lakhs earned during the year 2018-19.

The financial highlights of your Company (standalone) during the year 2019-20 along with the corresponding previous year figures are as under-

(Rs. in Lakhs)

Sl. No.	Description	2019-20	2018-19
1.	Operating Turnover	1,33,659	1,79,105
2.	Other Income	732	517
3.	Total Income	1,34,391	1,79,622
4.	Gross Margin	1756	(2271)
5.	Interest Paid	852	502
6.	Depreciation	109	190
7.	Profit Before Tax	794	(2963)
8.	Taxes	702	340
9.	Profit After Tax	92	(3303)
10.	Net Worth	19,856	19,764

Turnover - Domestic & Foreign



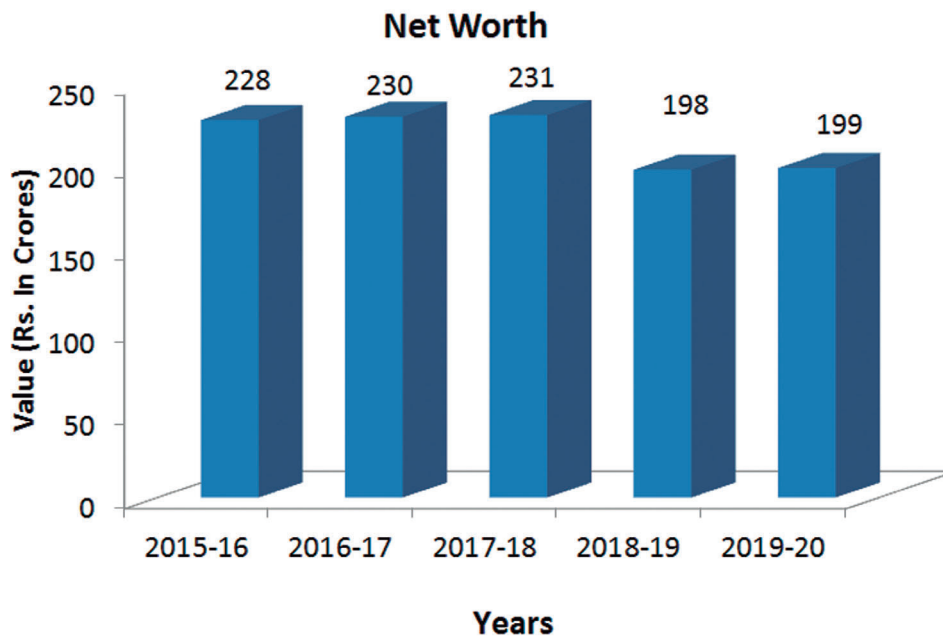


The Net Worth of the Company increased from Rs. 19,764 Lakhs to Rs. 19,856 Lakhs which is an increase of 0.47% over the previous year. The return on capital employed in 2019-20 is 8.29% as against (12.45%) in 2018-19.

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 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.



3. DIVIDEND & RESERVES

Your Directors recommend Dividend @ 30% of PAT of Rs. 92,03,426/- amounting to Rs. 27,61,028/- (i.e. Rs 0.08 per share of Face value Rs. 10 each) for the financial year 2019-20. The dividend would be paid after approval by the Shareholders at the Annual General Meeting of the Company.

Accordingly, the balance amount in the Reserves & Surplus account as on 31st March 2020 stands at Rs. 16,314 Lakhs.



4. MARKETING ACHIEVEMENTS

During the financial year 2019-20, Company has secured projects worth Rs.1762.12 Crores. Some of the major projects secured are given below:

Sl. No.	Name & Place of the Project	Client	Value (Rs. Crores)
1.	Construction, Up-gradation and other Related Works from Concept to Completion for the Sundargarh District in the State of Odisha-Road & Bridges Works	Collector & District Magistrate, District Mineral Foundation (DMF), Sundargarh, Odisha	250.00
2.	Entire Electrification Works of Street Lights, Shifting of Utility, Substation and other Ancillary work in Sundargarh District, Odisha	Collector & District Magistrate, District Mineral Foundation (DMF), Sundargarh, Odisha	250.00
3.	Construction of Ekalabya Model Residential School at various locations Dist. Sundargarh, Odisha	ST & SC Development Department, Govt. of Odisha, Bhubaneswar	220.00
4.	Project Management Consultant for Tourism Infrastructure Development under Different Schemes of State / Union Government and NEC during the year 2018-19	Tripura Tourism Development Corporation Ltd. (TTDCL), Agartala	194.69
5.	Rehabilitation and up-gradation of Road (total length 16.290 Km) of Manu - Lalchara section on NH 44A in the state of Tripura	National Highways and Infrastructure Development Corporation Limited (NHIDCL), New Delhi	166.94
6.	Development of Command Control Centre, Auditorium Convention Hall, & Tribal Museum through turnkey (Architectural Planning with Design & Execution) basis at ABD area in Rourkela	Rourkela Smart City Ltd., Rourkela, Odisha	104.25
7.	Improvement, Widening & Strengthening of 73 nos. of Roads at Kutra and Rajgangpur Block in Sundergarh district, Odisha	Collector & District Magistrate, District Mineral Foundation (DMF), Sundargarh, Odisha	100.00
8.	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	Bharat Heavy Electricals Limited, Chennai	80.25



Sl. No.	Name & Place of the Project	Client	Value (Rs. Crores)
9.	Construction of PEB Shed Structures, Water Supply arrangement, Drainage, Sewerage, Road works, Track works, OHE works, Power supply & general electrical works and Supply, Installation and Commissioning of Machinery & Plant in connection with construction of main line EMU Car Shed (Phase - 2) at Khurda Road, Odisha	Rail Vikas Nigam Limited (RVNL), Visakhapatnam	53.23
10.	Township Package for Muzaffarpur Thermal Power Project, Stage-II (2x195 MW)	Kanti Bijlee Utpadan Nigam Limited, Muzaffarpur, Bihar	49.06
11.	Construction of Rail over Bridge (ROB) at Bhandaribagh, Dehradun, Uttarakhand	Public Works Department, Uttarakhand.	47.00
12.	Projects Management Consultancy (PMC) Services for Development of Land & Construction of Buildings under Phase-III Works of NCR Biotech Science Cluster, Translational Health Science and Technology Institute (THSTI) Faridabad, Haryana	Translational Health Science and Technology Institute (THSTI) Faridabad, Haryana.	46.54
13.	Construction of ALIMCO Advanced Integrated Wellness & Rehabilitation Centre in village Nawada Tigaon, Faridabad	Artificial Limbs Manufacturing Corporation of India (ALIMCO), Kanpur	44.78
14.	Construction of Roads and other Ancillary Works in Trans-shipment Yard including Approach Road of Passenger Area & Cargo Side and Development Work in Cargo & Passenger Area in between Stretch from km 2+400 (Agartala) to km 5+360 (Indo-Bangladesh Border Fencing) in Connection with Agartala-Akhaura New Rail Link Project	IRCON International Limited, New Delhi	39.37

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 109.2 in Chin State of Myanmar on EPC Mode at a value of Rs. 607.20 Crores.
- Augmentation of Raw Material Receipt & Handling Facilities with New OHP, Part-B (Pkg. No. 061) of Bhilai Steel Plant, Bhilai at a value of Rs.591.29 Crores.



- Augmentation of Fuel & Flux Crushing Facilities (Pkg. no. 064) of Bhilai Steel Plant, Bhilai at a value of Rs. 317.84 Crores.
- Planning, Designing, Construction & Supervision of Rajiv Gandhi University of Knowledge Technologies, Phase-I at Two Constituent Campuses, Basar & Nuzvid, AP, at a value of Rs. 294.92 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. 498.14 Crores.
- Construction of Medical College Campus for 100 MBBS Admission Annually and Up-gradation of the Govt. District Hospital, Barmer at a value of Rs. 198.45 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 District Head Quarters Hospital with 100 bedded Mother Child Hospital at Kendrapara at a value of Rs. 110.16 Crores.
- Construction of Border Road / Fence along Indo- Bangladesh Border, Mizoram at a value of Rs. 259.06 Crores.
- Construction of Flood Lighting along Indo-Bangladesh Border in the state of Mizoram at a value of Rs.181.16 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.
- 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 Township at Khilpara, Tripura for 2x363.3 MW Gas based Combined Cycle Power Plant of OTPC at Palatana, Udaipur, Tripura at value of Rs.105.02 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.

Projects Completed in India & Abroad

The Company has completed following major projects during the year:

- Interiors of Office Space for STPI Head Quarter at East Kidwai Nagar, New Delhi.
- Construction of Road for HQ IGAR (E) and Assam Rifles Battalion Srikona, Assam.
- Construction of HIG, MIG and LIG Flats and Related Works for Tamilnadu Housing Board at Sholinganallur and Moggappair East in Chennai.
- Construction of Diversion Weir from Hdirayanahalla to Jambadahalla and appurtenant works under Hodorayanahalla Diversion Scheme, Karnataka.
- Project Management Consultancy for Development of Campus of Central University of Jammu at Village Bagla, District Samba.



- Construction of Intake Well, Water Treatment Plant, Distribution Pipe Lines, Overhead Tank & Providing Household Connections at Singrauli, M.P.
- Construction of Magazine Building Including Infrastructural Development Works for Assam Rifles Battalion at Khonsa, Arunachal Pradesh.
- Provision of Addition / Alteration of ARTB Hospital, AR Hospital, Provision of Improvement to Type- II Qtrs. & Type-III Qtrs. at Laitkor, Shillong, (Meghalaya).
- Construction of, Protective Walls, Internal Roads for New Assam Rifles Battalion at Zokhawsang, Mizoram.
- Architect Engineering Services for Coal Handling and Ash Handling System for Feroz Gandhi Unchahar Thermal Power Project Stage - IV (1*500mw) at Unchahar, Rae Bareli District, UP.
- Construction of One Additional Floor (3rd), over and above the Existing Academic Building, IDRBT, Hyderabad.
- Supply & Laying of DI, HDPE, PVC Pipes, Specials, Fitting and Valves for Transmission Main And Distribution System in Vavuniya WSS (Sri Lanka).

5. ORDER BOOK POSITION

At the end of the financial year 2019-20, the balance work in hand of (91 nos.) projects under execution is Rs. 3982 Crores.

6. PERFORMANCE RATING UNDER MOU

The performance rating of the Company in terms of MoU signed by the Company with the Government for the year 2018-19 is to be finalized.

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 Department of Heavy Industry (DHI).

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 from "ICRA A+" to "ICRA A". The outlook on the long-term rating is negative. The Rating committee of ICRA has also revised the short term rating for Line of Credit from "ICRA A1+" to "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 implemented in EPIL in the right earnest.

"Vigilance Awareness Week – 2019" was observed in EPIL from 28.10.2019 to 02.11.2019 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:

- a) An Essay Competition on "Importance of integrity & values in making New India"
- b) A Poster Competition on "Integrity a right Path"
- c) A Slogan Competition on "Integrity"
- d) A lecture on this year's theme "Integrity-A way of life" was organized at Corporate Office, New Delhi on 01.11.2019. This lecture was addressed by Shri Shailendra Singh, Chief Technical Examiner, Central Vigilance Commission

During the year 2019-20, out of 24 cases, (2 at the beginning of the year and 22 received during the year) 22 vigilance cases have been disposed off and 2 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, 2020, Company had a strong work force of 303 employees, which included 37 women employees. Out of 303, 267 employees are technically and professionally qualified.

11. SC/ST PERSONNEL

As on 31st March 2020, No. of ST persons are 11; out of which 10 are male and 1 is female employee and No. of SC persons are 50; out of which 47 are male and 3 are female employees.

12. PHYSICALLY CHALLENGED PERSON

As on 31st March 2020, No. of physically challenged persons was 2 which constituted 0.66% 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 Puraskar 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 Puraskar/ 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 Vibag 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.

As per the official language policy the website of our office is ready in bilingual formation. 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.

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, no complaint have been received during the year.

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 & Public Enterprises, Department of Heavy Industry.

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 2019-20

Name of Director/KMP	Designation	Tenure
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 N. K. Sharma	Executive Director (Finance)	w.e.f. 13.09.2019

Directors/Key Managerial Personnel (KMP) ceased/ resigned during the year 2019-20

Name of Director/KMP	Designation	Tenure
Shri Lekh Raj	Director (Finance) & CFO	up to 13.09.2019
Shri S. S. Rawat	Additional Charge of Chairman & Managing Director & Director (Projects)	15.09.2018- 18.09.2019

Further details of Directors/KMP and changes therein subsequent to the close of the financial year are given in Report in Corporate Governance and MGT-9 (Extracts of Annual Return).



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, 2020 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

Shri Sushant Baliga, Independent Director and Dr. Anita Chaudhary, Independent Director, have furnished declaration of Meeting the criteria of independence provided in Section 149 (6) of the Companies Act, 2013.

21. NO. OF MEETINGS

During the year 2019-20, Four (4) Meetings of the Board of Directors were held out of which one meeting schedule for 26.03.2020 was cancelled due to nationwide lockdown on the outset of COVID-19 outbreak. Details of Board and Board Sub-Committee Meetings are given in Report on Corporate Governance annexed with this report at **Annexure B**.

22. SUBSIDIARY 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 2019-20 were considered in Consolidation Accounts of EPI.

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 2019-20.

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 2019-20 are as under-

S.No	Name of the Firm	Region
1.	M/s. KPMC & Associates, New Delhi	Statutory Auditors- Corporate Office & Consolidation
Branch Auditors :		
1.	M/s. Ravi Rajan & Co., Delhi	Northern Region Branch Auditors
2.	M/s. M Raghunath & Co., Kolkata	Eastern Region & North Eastern Region Branch Auditors
3.	M/s. A S L & Co, Mumbai	Western Region Branch Auditors
4.	M/s. T. Selvaraj & Co., Chennai	Southern Region Branch Auditors
5.	M/s HC Shah & Co, Oman	Oman Branch Auditors
6.	M/s Ranaweera Associates, Sri Lanka	Sri Lanka Branch Auditors
7.	M/s Daw Me MeSoe, Myanmar	Myanmar Branch Auditors

b) Secretarial Auditor

The Company has appointed M/s. MNK and Associates LLP as Secretarial Auditor for the Year 2019-20 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.

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 2019-20 in compliance with the provisions of Section 148 of the Companies Act, 2013.



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 2019-20 and reply to comments on accounts, if any, is annexed to this report.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report for the year 2019-20 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 2019-20, 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 –

EPI has been consistently laying emphasis on utilizing energy efficient equipment in its office premises and in various projects entrusted to it for execution so as to minimally affect on the ecology and environment. As a constructional Project Management organization EPI is implementing projects designed to save the energy like BMS in HVAC system, LED fixture for lighting, automatic switch off/on for outdoor lighting, DG Set synchronizing, solar street lights, use of Solar System as alternate source of energy, automation in industrial projects for better efficiency & less consumption. In data centre, we use Modular UPS and Light control through occupancy sensor for increase in efficiency and full utilization of energy. EPI has installed Grid Connected Roof Top Solar Plant of 10KW at their Corporate Office.

We are conserving energy in distribution lines to reduce the losses for PMC/EPC contracts, as per following practices:

- a) **Balancing of phase load:** As a result of unequal loads on individual phase sequence, components causes over heating of transformers, cables, conductors, motors. Thus, resulting to increase in losses and motor malfunctioning under unbalanced voltage conditions.
- b) **Energy Conservation by using power factor controller:** Low power factor will lead to increased current and hence increase losses and will affect the voltage. We use Power Factor Controller or Automatic Power Factor Controller Devices.



- c) **Automation by PLC:** We are using complete automation technique by using PLC to run industrial projects to handle the raw materials.
- d) **Use of Soft Starter:** Soft starters help to restrict the starting current and also provide smooth start and stop operations in conveyors & HT equipments application.
- e) **Building Management System** for Data Centre Projects and Airport projects.
- f) **Limiting Voltage Drop** at receiving end of equipments to avoid losses.

27.02 Technology Absorption

a) **Research and Development**

Considering company's nature of job, there is limited scope of Research & Development as EPI is executing the work based on the technical specifications & requirement of clients. However EPI has actively provided state of the art technology like Prefab Technology, Glass Fiber Reinforced Gypsum (GFRG) System, and Light Gauge Sheet Framed Structure (LGSF) System.

b) **Technology Absorption**

The company is making continuous effort to upgrade technology and construction technique. The projects in Smart Cities Mission (SCM) i.e. affordable housing, integrated multi-modal transport, creation and preservation of open spaces, and waste and traffic management, modernization of railway stations and airports are being implemented.

EPI has developed Border Infrastructure and Surveillance System for international projects, adopting a combination of physical and electronically controlled barriers, real-time display monitoring with an intelligence system using sensors, optical fiber cables and HRC camera's keeping the international border safe and secure for prevention of 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 2019-20, the Company earned a foreign exchange of Rs. 71563 Lakhs against Rs. 111760 Lakhs in the Financial year 2018-19. The expenditure incurred in Foreign Exchange is Rs. 65,609 Lakhs in 2019-20 against Rs. 107540 Lakhs in 2018-19.

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 2019-20, 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. EXTRACTS OF ANNUAL RETURN

As per the requirement of Section 92 (3), Section 134 (3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return is annexed at **Annexure E** to this report. The Extract of Annual Return for the Financial Year ended 31st March 2020 is also available on the Company's website i.e. www.engineeringprojects.com.

37. ACKNOWLEDGEMENT

Your Directors acknowledge with deep sense of appreciation the cooperation and support received from Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry 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

Place: New Delhi

Date: 20th November 2020



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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. 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. A direct corollary of infrastructure development is a fillip to the construction sector. The construction industry is the second largest industry in India after agriculture. It accounts for about 11% of India's GDP. 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. In 2018, India ranked 44th out of 167 countries in World Bank's Logistics Performance Index (LPI) 2018. Logistics cost in India are worth of 11-12 percent of the product cost, while the global average is in single digit.

Therefore the Government has embarked upon many initiatives to boost the infrastructure in India. The Government of India has given a massive push to the infrastructure sector by allocating Rs 4.56 Lakh crore (US\$ 63.20 billion). Indian Railways received allocation under Union Budget 2019-20 at Rs 66.77 billion (US\$ 9.25 billion). Rs 83,015 crore (US\$11.51 billion) allocated towards road and highway. Rs 3,899 crore (US\$ 540.53 billion) towards Green Energy Corridor Project along with wind and solar power projects.

Allocation of Rs 8,350 crore (US\$ 1.16 billion) is to boost the telecom infrastructure. Rs 888 crore (US\$ 110.88 million) has been allocated for the up gradation of state government medical colleges (PG seats) at the district hospitals .Rs 1,361 crore (US\$ 188.63 million) for government medical colleges (UG seats) and government health institutions.

Further the various schemes of the Union Government emphasize on boosting infrastructure. 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 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.

SWOT Analysis

STRENGTH AND WEAKNESS

The Weakness of EPIL can be summarized as follows:

- No experience of execution of projects on BOT/DBFOT/modes
- Low Investment Capability

However, EPIL is not just an organization, rather it's a symbol of fine tradition of over 50 years of engineering excellence in 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 for all its areas of operations and OHSAS 18001:2007 for Corporate Office & ISO/IEC 27001:2013 for Information Security Management System.

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).

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 Myanmar Region, building 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's 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.

The corona pandemic will give a boost to the Medical infrastructure and EPIL already has a good credential of constructing medical colleges and hospitals. EPIL has recently completed construction of super specialty hospital for Govt. Rajaji Medical College at Madurai (Tamil Nadu), Medical College and teaching hospital at Sagar (MP), construction of Medical college up-gradation of the Govt. district hospital into teaching hospital at Barmer (Rajasthan). If EPIL establishes tie ups with vendors focusing on the domain of virology, epidemiology, isolation and quarantine facilities then it can leverage its expertise and the competitive advantage and become a permanent bidder with core specialization in this sector assuring quality and thereby controlling the price.

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 its 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 2 Lakh 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

SEGMENT WISE AND PRODUCT WISE PERFORMANCE

Industrial, Process Plant, Material Handling, Electrical and Border Management Projects segment remained the highest contributor with 58.82% of share to the turnover of the Company during financial year 2019-20, followed by Housing & Building works including Hospital Projects segment which percentage share has increased as compared to last year from 30.64% to 36.05%. Also, there is marginal increase in the percentage share of Water Supply & Environmental Schemes Segment and Dams & Irrigation Projects segment as compared to last year and their percentage share are 1.88% and 1.87 % respectively.

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

(Rs. in Crores)

Sl.No	Segments of Projects	2017-18		2018-19		2019-20	
		Turnover	%	Turnover	%	Turnover	%
1	Housing & Building Works including Hospital Projects	587.24	36.53	548.37	30.64	481.78	36.05
2	Dams & Irrigation Projects	51.84	3.23	17.72	0.99	24.93	1.87
3	Industrial, Process Plant, Material Handling, Electrical and Border Management Projects	929.48	57.82	1203.43	67.24	786.12	58.82
4	Water Supply & Environmental Schemes	37.01	2.30	17.85	1.00	25.11	1.88
5	Transportation Structures	-	-	2.30	0.13	4.87	0.37
6	Other Projects	1.84	0.12	-	-	13.78	1.03
	Total	1607.41	100.00	1789.67	100.00	1336.59	100.00



OUTLOOK

The goal for the company is to become a profitable dividend paying company with a MoU Rating– ‘Excellent’. The long term vision is to become a ‘Mini Ratna Schedule- A Company’ with aiming to attain ‘Navratna’ status.

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 EPIL is looking at entering into high technology area with higher profit margin. Where 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 it various sector-related services to emerge as a competitive price and quality leader in the construction industry.

Diversification in most areas 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:

RAILWAYS: With increased CAPEX in Rail sector and continuous thrust on its modernization, EPIL envisage a huge opportunity in execution of various capacity augmentation works in Indian Railways by participating as either PMC or an EPC Contractor.

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: Indian Railway Stations Development Corporation (IRSDC) Ltd. has signed Memorandum of agreement with EPIL whereby EPIL shall provide the project management consultancy for the development of various railway stations

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 FOR INCOMPLETED PROJECTS: EPIL has the competence to act as a project management Consultant to the stalled/incomplete housing 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 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.

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.

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 2019-20, the Company achieved operating turnover of Rs. 133659 Lakhs as against the previous year operating turnover of Rs. 179105 lakhs and made profit before Tax of Rs. 794 Lakhs as against previous year's Loss Before Tax of Rs. 2963 Lakhs. The Gross Margin of the year was Rs. 1756 Lakhs as compared to Rs. (2271) Lakhs in the previous year.

The net worth of the Company has increased by Rs. 92 Lakhs from Rs. 19764 Lakhs in the year 2018-19 to Rs. 19856 Lakhs in the year 2019-20.

The Board has proposed a dividend of Rs. 27,61,028/- (i.e. Rs. 0.08 per Share of Face value of Rs. 10 each) which is 30% of PAT for the Financial Year 2019-20.



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

Company's focus is on securing large projects in various sectors of India. In order to facilitate achieving the target, Company is aiming to train its talents with specialized skills at each level for execution of the on-going projects as well as new projects. During the year 2019-20, 1 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 2019-2020, 249 numbers of in-house training mandays was conducted and 21 numbers of external training mandays were conducted.

ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, FOREIGN EXCHANGE CONSERVATION

a) Environmental Protection & Conservation

The Company is fully aware regarding its responsibility for Environmental Protection and its Conservation. Ecology conservation is crucial in today's era. It is imperative that the development process in a community is compatible with its environment as well as with the particular culture of that community. The Company is socially responsible organization and has been addressing the environmental concerns through its Environmental Management System under ISO Policy and Procedures Manual and has been certified to ISO 14001:2015, covering Environmental Management Systems (EMS).

Extensive environment friendly and energy saving measures like compulsory use of flyash bricks and Portland pozzolana cement, tree plantation, recycling of waste water/effluent treatment system, renewable energy like solar energy, light sensor, dimmable light, thermal insulation, spraying of water through tanker during construction at site, etc. are adopted to reduce the pollution level and so as to protect the Environment. The company also follows various environmental measures such as control of noise, control of leakage of oil & grease, control of wastage of water, control of smoking, etc. and plant trees. The company has adopted Green Rating for Integrated Habitat Assessment (GRIHA) norms in execution of projects, which resulted conservation of environment as well as savings in energy. Environmental friendly equipments such as solar lights with zero maintenance are also being installed at various project sites.

b) Technological Conservation

As a part of Technological Conservation, EPI started using following methodology to lower construction cost & time and reducing environmental pollution:

- Use of excavated material like limestone/clinkers for stabilization of sand dunes for construction of roads and fence foundation, etc.
- Sewage treatment with zero discharge including online treatment with recycling, eco sanitization for desalination, effective micro-organism technology.



- Adoption of rapid monolithic disaster proof technology in construction of mass housing and other construction projects.
- Waste water treatment to improve the quality of water to make it usable for the specific end user i.e. may be for the purpose of drinking, irrigation, industrial etc.

c) Foreign exchange conservation

The Company always endeavour 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.



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 & Public Enterprises).

The Board of EPI comprises 3 Functional/Whole Time Directors, 2 Government Nominee Directors and 3 Independent Directors. As on 31st March 2020, four positions were lying vacant i.e. one positions of Functional Director viz. Director (Finance) and three position of Independent Director. 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 2019-20 are given below:

Name of Directors	Category	Board Meeting Attended	Attendance at the last AGM held on 24.10.2019	No. of Directorships in Other Public Companies (excluding EPI)	Tenure
(a) Chairman & Managing Director (Additional Charge) & Director (Projects) (Additional charge)					
Shri.S.S.Rawat Director (Project Management) Bridge & Roof Company (India) Limited (B&R) DIN: 07555572	Chairman & Managing Director- (Additional charge) & Director (Projects) (Additional Charge)	1/1	NA	1B&R*	w.e.f. 15.09.2018 till 18.09.2019 (Refer notes below)



(b) Whole Time/Functional Directors					
Shri D. S. Rana DIN: 07022825	Chairman & Managing Director	2/2	Yes	NA	w.e.f. 19.09.2019
Shri Lekh Raj DIN: 07794894 [#]	Director (Finance)	1/1	NA	NA	w.e.f. 13.04.2017 till 13.09.2019
Shri H. N. Thakur DIN: 08592663	Director (Projects)	2/2	Yes	NA	w.e.f. 21.10.2019 (Refer notes below)
(c) Govt. Nominees/Part-Time Official Directors					
Smt. Neelam S. Kumar Chief Controller of Accounts (CCA), Ministry of Heavy Industries & Public Enterprises DIN: 08220197	Director	2/3	No	3 (HECL, HMTMTL, B&R)*	w.e.f. 23.08.2018
Smt. Sukriti Likhi Addl. Secretary, Ministry of Heavy Industries & Public Enterprises DIN: 01825997	Director	1/3	No	3 (TMTP, CCI, NEPA Ltd.)*	w.e.f. 16.11.2018
(d) Independent Director/Part Time (Non-Official) Director					
Shri Sushant Baliga Faculty of Mgt. Sciences, University of Delhi DIN: 06462815	Director	2/2	Yes	1(EPIUIDL)* (resigned from EPIUIDL on 31.05.2019)	w.e.f. 18.11.2015 till 17.11.2019 (Refer notes below)
Dr. Anita Chaudhary IAS, Retired Secretary of Department of Land Resources, Govt. of India DIN: 07328842	Director	2/2	Yes	Nil	w.e.f. 01.12.2015 till 30.11.2019 (Refer notes below)

***Abbreviations used:**

B&R	- Bridge & Roof Company (India) Limited	HECL	- Heavy Engineering Corporation Ltd.;
HMTMTL	- HMT Machine Tools Ltd.;	TMTP	- Tumakuru Machine Tool Park
CCI	- Cement Corporation of India Limited	EPIUIDL	- EPI Urban Infra Developers Limited

DIN allotted on 15.04.2017



Notes:

Following changes took place in the Directorship during the year 2019-20 and thereafter till the date of this report:

1. Vide Order No.12- 16/1/2017-TSW(Pt.file) dated 14.09.2018, DHI had entrusted the Additional Charge of the Post of Chairman & Managing Director and Director(Projects) to Shri S.S. Rawat, Director (Project Management) B&R initially for a period of three (3) months with effect from 15.09.2018 or until further orders whichever is earlier. Thereafter the tenure of Shri S. S. Rawat extended twice for a further period of 06 months w.e.f. 15.12.2018 and 15.06.2019 or till the appointment of regular incumbent to the posts or until further orders, whichever earlier.
2. DHI Vide Order No.12-16/7/2017 dated 06.09.2019 had accepted the resignation of Shri. Lekh Raj, Director (Finance), Consequently Shri. Lekh Raj relinquished from the post of Director (Finance) on 13.09.2019.
3. Vide DHI Order No. 12-16/4/2017-TSW dated 07.08.2019, Shri Dharendra Singh Rana was appointed as Chairman and Managing Director, EPI with effect from the date of his assumption of charge of the post or till the date of his superannuation or until further orders, whichever is earlier. Shri D. S. Rana assumed charge on 19th September 2019.
4. Vide DHI Order No. 12-16/2/2017-TSW dated 18.10.2019, Shri Hari Narayan Thakur was appointed as Director (Projects), EPI with effect from date of his assumption of charge of the post or till the date of his superannuation i.e. 30.06.2022, or until further orders, whichever is earlier. Shri H.N. Thakur assumed charge on 21st October 2019.
5. The tenure of both the Independent directors viz. Shri Sushant Baliga and Dr. Anita Chuadhary got completed on 17.11.2019 and 30.11.2019 respectively.
6. Vide DHI 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 Raj Pal Singh relinquished his charge on 15th October 2020.
7. Vide DHI Order No. 12-16/11/2019-TSW dated 15th July 2020, Shri P M Chandraiah was appointed as Director (Finance), EPI with effect from date of his 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 P M Chandraiah assumed charge on 16th October 2020.

(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 2019-20, 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.	16.07.2019	6	6
2.	13.11.2019	6	5
3.	24.01.2020	4	2
4.	26.03.2020	*	*

* The company had scheduled a Board Meeting on 26.03.2020 but due to the pandemic Situation of COVID-19, Nationwide lockdown was declared from 25.03.2020 onwards therefore the Meeting was cancelled.

(E) Meeting of Independent Directors

The tenure of Independent Directors got completed in November 2019 and since then No Independent Director were there on the Board of Company. Therefore no separate Meeting of Independent Directors was held during the year.

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

(i) Shri D.S. 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 H.N. 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 P M Chandraiah, Director Finance

Shri P M Chandraiah has assumed the charge of Director (Finance) of Engineering Projects (India) Limited on 16th October 2020. Prior to this, Shri P M Chandraiah was working as Managing Director (Addl. Charge) & Director (Finance), Bengal Chemicals & Pharmaceuticals Limited (BCPL). He has been associated with BCPL since November 2014.

Shri P M Chandraiah is a Cost Accountant and having a rich experience of 37 years in various PSUs like NTPC, IREDA, IRCON, NSPCL, EPIL and BCPL. He also has a working experience in departments like Human Resources, Vigilance, Financial Management, Marketing etc.

Under his dynamic leadership, Bengal Chemicals & Pharmaceuticals Limited, the first Pharmaceutical Company of the Country has become a Profit making Turnaround Company in the year 2016-17 after continuous reporting of losses for 50 years i.e. Since 1967-68 to 2015-16 and has achieved the Net Profit consecutively for five years since 2016-17.

(iv) Smt. Sukriti Likhi, Additional Secretary, DHI and Part Time Official Director

Smt Sukriti Likhi, Addl. Secretary, Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises, Government of India, belongs to the Haryana Cadre of the Indian Administrative Service. She joined the IAS in 1993.

A graduate in Economics from Lady Shri Ram College, Smt. Likhi holds a Masters degree in Sociology from the Delhi School of Economics and a Masters in Public Administration from Harvard University.

She served in the Ministry of Finance, Government of India as Director in the Department of Financial Services and later as Counsellor Economic with the Embassy of India at Washington DC.

She has vast and varied experience in administration. Most recently she was Managing Director of the Haryana Power Generation Corporation Ltd., in Government of Haryana. Prior to which she was Managing Director of HAFED (the Haryana State Cooperative Supply & Marketing Federation Limited) and Secretary (Finance), Government of Haryana.

(v) Smt. Neelam S. Kumar, Chief Controller of Accounts, DHI and Part Time Official Director

Smt Neelam S. Kumar has been appointed as Part-time Official Director of EPI as nominee of Govt. of India pursuant to DHI order dated 23.08.2018. Smt. Neelam S. Kumar is an ICAS Officer of 1984 Batch. Presently, she is posted as Chief Controller of Accounts, Ministry of Industry, looking after the Budget & Accounts, Payment and Treasury functions of DIPP, DHI, DPE and MSME.



(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 & Public Enterprises.

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 completion of tenure of Independent directors.

i. AUDIT COMMITTEE

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

1.	Smt. Neelam S. Kumar, Part Time Official Director	-	Chairman
2.	Shri. D. S. Rana, Chairman & Managing Director	-	Member
3.	Shri H. N. Thakur, Director (Projects)	-	Member

Shri P M Chandraiah, Director (Finance) is Permanent Invitee to the Meetings of Audit Committee.

Notes:

- Smt. Neelam S. Kumar is Chairman w.e.f. 17.07.2020
- Shri. D. S. Rana, Chairman & Managing Director is Member w.e.f. 17.07.2020
- Shri H. N. Thakur, Director (Projects) is Member w.e.f. 17.07.2020
- Shri Sushant Baliga was Chairman up to 17.11.2019
- Dr. Anita Chaudhary was Member up to 30.11.2019



During 2019-20, the Committee had two meetings on 15.07.2019 and 14.10.2019 and attendance details are as under-

Member	No. of Meetings held during their respective tenure	No. of Meetings attended
Shri Sushant Baliga, Part Time Non Official Director- Chairman #	2	2
Dr. Anita Chaudhary, Part Time Non Official Director- Member@	2	2
Smt. Neelam S. Kumar, Part Time Official Director- Member*	2	1

Chairman upto 17.11.2019

@ Member upto 30.11.2019

* Chairman w.e.f. 17.07.2020

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:
- The adequacy of internal controls including computerized information system controls and security, and
 - 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:
- Significant findings during the year, including the status of previous audit recommendations
 - 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:
- To investigate any activity within its terms of reference.
 - To seek information on and from any employee.
 - To obtain outside legal or other professional advice, subject to the approval of the Board of Directors.
 - To secure attendance of outsiders with relevant expertise, if it considers necessary.
 - To protect whistle blowers.
30. The Audit Committee shall review the following information:
- Management discussion and analysis of financial condition and results of operations;
 - Statement of related party transactions submitted by management;
 - Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses;
 - The appointment and removal of the Chief Internal Auditor shall be placed before the Audit Committee; and
 - 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:

- Smt. Neelam S. Kumar, Part Time Official Director - Chairman
- Shri H. N. Thakur, Director (Projects) - Member
- Shri P M Chandraiah, Director (Finance) - Member

**Notes:**

- Smt. Neelam S. Kumar is Chairman w.e.f. 17.07.2020
- Shri H. N. Thakur, Director (Projects) is Member w.e.f. 17.07.2020
- Dr. Anita Chaudhary was Chairman up to 30.11.2019
- Shri Sushant Baliga was Member up to 17.11.2019
- Shri R. P. Singh, Director (Finance) was Member upto 15.10.2020
- Shri P M Chandraiah, Director (Finance) is member w.e.f. 05.11.2020

During 2019-20, the Committee had a meeting on 15.07.2019 and the attendance details are as under-

Member	No. of Meetings held during their respective tenure	No. of Meetings attended
Dr. Anita Chaudhary, Independent Director- Chairman #	1	1
Shri Sushant Baliga, Independent Director- Member@	1	1
Shri Lekh Raj, Director (Finance)- Member *	1	1

Chairman upto 30.11.2019

@ Member upto 17.11.2019

* Member upto .13.09.2019

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. Neelam S. Kumar, Part Time Official Director - Chairman
2. Shri H. N. Thakur, Director (Projects) - Member
3. Shri P M Chandraiah, Director (Finance) - Member

Notes:

- Smt. Neelam S. Kumar is Chairman w.e.f. 17.07.2020
- Shri H. N. Thakur, Director (Projects) is Member w.e.f. 17.07.2020
- Shri Sushant Baliga was Chairman up to 17.11.2019
- Dr. Anita Chaudhary was Member up to 30.11.2019
- Shri R. P. Singh, Director (Finance) was Member upto 15.10.2020
- Shri P M Chandraiah, Director (Finance) is member w.e.f. 05.11.2020



During 2019-20, the Committee had a meeting on 11.11.2019 and the attendance details are as under-

Member	No. of Meetings held during their respective tenure	No. of Meetings attended
Shri Sushant Baliga, Part Time Non Official Director- Chairman #	1	1
Dr. Anita Chaudhary, Part Time Non Official Director- Member@	1	1
Smt. Neelam S. Kumar, Part Time Official Director- Member *	1	1

Chairman upto 17.11.2019

@ Member upto 30.11.2019

* Chairman w.e.f. 17.07.2020

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 2020 is as under:

S. No	Name of Shareholder	No. of Shares	% of holding
1.	The President of India Ministry of Heavy Industries & Public Enterprises	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 dematerialisation 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 2019-20 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 (w.e.f. 19.09.2019)	23,18,560	3,279	-	23,21,839
Shri. H. N. Thakur, Director (Projects) (w.e.f. 21.10.2019)	14,48,517	33,216	-	14,81,733
Shri Lekh Raj, Director (Finance) (upto 13.09.2019)	22,96,909	7,33,378	-	30,30,287

B: Independent Director:

(In. Rs)

Name of Director	Sitting Fees		Fee for Independent Directors' meeting*	Total
	Board Meeting	Committee Meeting		
Shri Sushant Baliga	30,000	40,000	0	70,000
Dr. Anita Chaudhary	30,000	40,000	0	70,000

Independent Directors are paid sitting fee @ Rs.15,000/- per Board Meeting and Rs.10,000/- for Board Committee Meetings. Independent Directors are also paid fee for attending Meeting of Independent Directors @ 15,000/- per meeting.



- 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 & Public Enterprises, 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 1.46% as compared to 1.43% in 2018-19. Financial expenses as a percentage of total expenses has been 0.64% compared to 0.28% in 2018-19.
- 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)
49 th	2018-19	October 24 th , 2019 at 3:00 P.M.	Core-3, SCOPE Complex, (4 th Floor), 7 Lodhi Road, New Delhi-110003
48 th	2017-18	September 26 th , 2018 at 12:00 Noon (Adjourned on September 29 th , 2018 at 10:00 A.M.)	Core-3, SCOPE Complex, (4 th Floor), 7 Lodhi Road, New Delhi-110003
47 th	2016-17	September 28 th , 2017 at 11:30 A.M. (Adjourned on September 28 th , 2017 at 05:45 P.M.)	Core-3, SCOPE Complex, (4 th Floor), 7 Lodhi Road, New Delhi-110003

Notice of 50th Annual General Meeting for the financial year 2019-20 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
49 th	2018-19	NIL
48 th	2017-18	NIL
47 th	2016-17	Closure of EPI's Subsidiary Company (and its branch) i.e. EPI Urban Infra Developers Limited (EPIUIDL) through voluntary liquidation/voluntary winding

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 (Fin.) has been appointed as First Appellate Authority.

Information has been provided as per provisions of RTI Act, 2005. The information/ data with respect to RTI applications during the year 2019-20 are as follows:-

1.	No. of RTI applications pending as on 01 st April, 2019	0
2.	No. of RTI applications received during the year 2019-20	65
3.	No. of RTI applications disposed-off during the year 2019-20	62
4.	No. of RTI applications pending on 31 st March 2020 (Due to Covid-19 and subsequent complete lockdown declared by the Government)	3



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**.



In addition, Shri Sushant Baliga, Independent Director, and Dr. Anita Chaudhary, Independent Director, have given a declaration that they meet the criteria of independence provided in section 149(6) of the Companies Act, 2013.

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 practising Company Secretary regarding compliance of conditions of guidelines of Corporate Governance of CPSEs has been annexed to the Report as per **Annexure B3**.



**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, 2020 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 2019-20 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 2019-20;
 - b) Significant changes in accounting policies during the year 2019-20 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/-
(N. K. Sharma)
ED (Finance) & Chief Financial Officer

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

Place: New Delhi
Date: 20th November 2020



Annexure B2

DECLARATION BY CHAIRMAN & MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2019-20.

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 2019-20.

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

Place: New Delhi

Date: 20th November 2020



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, 2020** 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 above mentioned 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.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of the effectiveness with which the Management has conducted the affairs of the Company.

For **AGB & Associates**
Company Secretaries

Sd/-

CS Nitin Rawat

(Partner)

Membership No : F9050

C.P. No. 10554

UDIN: F009050B000593282

Place: New Delhi

Date: 19.08.2020



THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[Pursuant to Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 read with Section 134(3) and 135(2) of the Companies Act, 2013]

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

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.

Corporate Social Responsibility Policy and Plan of the Company is available at the Company's website at www.engineeringprojects.com

2. The Composition of the 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.

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.

Presently, CSR and Sustainability Committee have the following members:

- | | | |
|--|---|----------|
| 1. Smt. Neelam S. Kumar, Part Time Official Director | - | Chairman |
| 2. Shri. H. N. Thakur, Director (Projects) | - | Member |
| 3. Shri. P M Chandraiah, Director (Finance) | - | Member |

The details about meetings of the CSR & Sustainability Committee and attendance are given in Corporate Governance Report. This committee is assisted by Nodal Officer.



3. Average Net Profit of the company for last three financial years:

The Average Net Profit/Loss() of the company for last three financial years works out to be (3114.26) Lakhs as the Net profit for the last three financial year i.e. 2016-17, 2017-18 and 2018-19 was Rs.108.48 Lakhs, Rs. (4032.33) Lakhs and Rs. (5418.93) lakhs respectively.

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above): Nil

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year 2019-20- Nil

(b) Amount unspent , if any;

As per the past practice of the company any unspent balance is of non lapsable nature. An amount of Rs. 1.33 Lakhs remaining unspent from previous year's budgets is carried forward for utilization in future activities. The carried forward amount consists of Rs.0.95 lakhs which was remained unclaimed from implementing agency for the activity awarded in previous year, Rs. 0.056 Lakhs towards the previous years activity and Rs. 0.33 Lakhs is the remaining unspent amount.

However no Budget had been allocated for the year 2019-20.

(c) Manner in which the amount spent during the financial year is detailed below (being amount paid against the budgets of previous years activities)- No activities were undertaken during the Year 2019-20.

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: Not applicable

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

The CSR Committee has confirmed that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Sd/-

(Shri H. N. Thakur)

Member- CSR Committee

DIN: 08592663

Sd/-

(Smt. Neelam S. Kumar)

Chairman- CSR Committee

DIN: 08220197

Date: 20th November 2020

Place: New Delhi

**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: 20th November 2020



Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2020

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: **-U27109DL1970GOI117585**
- ii) Registration Date: **16th April 1970**
- iii) Name of the Company: **Engineering Projects (India) Limited**
- iv) Category / Sub-Category of the Company: **Miniratna, Category II (Schedule B)**
- v) Address of the Registered office and contact details: **Core-3, Scope Complex, 7 Lodhi Road, New Delhi-110003, Tel : 91-11-24361666**
- vi) Whether listed company Yes / No: **No**
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:
Name: **MCS Share Transfer Agent Limited**
Address: **F-65, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi-110020**
Contact No.: **41406149-52**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service*	% to total turnover of the company
1.	Construction of Buildings	410	36%
2.	Construction of other civil engineering projects	429	59%

*As per National Industrial Classification-Ministry of statistics and programme implementation

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES* –

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	EPI Urban Infra Developer Limited* Core-3, Scope Complex, 7 Lodhi Road, New Delhi-110003	U45309DL2016GOI299995	Subsidiary Company	51%	2(87)

* EPI has decided for closure of EPIUIDL/exit from EPIUIDL. Accordingly a petition has been submitted by EPI to Regional Director (North) under Section 361 of the Companies Act, 2013 for summary winding of the Company.



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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Central Govt	Nil	35415677	35415677	99.98	Nil	35415677	35415677	99.98	Nil
c) State Govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Others- -6 PSUs and 1 Trust	Nil	7011	7011	0.02	Nil	7011	7011	0.02	Nil
Sub-total (A) (1):-	Nil	35422688	35422688	100	Nil	35422688	35422688	100	Nil
(2) Foreign									
a) NRIs-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	Nil	35422688	35422688	100	Nil	35422688	35422688	100	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil



g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B) (1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non-institutions									
a) Bodies Corporate									
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B) (2):- Total Public Shareholding (B)=(B)(1)+(B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	Nil	35422688	35422688	100	Nil	35422688	35422688	100	Nil

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	President of India (through Ministry of Heavy Industries and Public Enterprises)	35415677	99.98%	Nil	35415677	99.98%	Nil	Nil
	Total	35415677	99.98%	Nil	35415677	99.98%	Nil	Nil



(iii) Change in Promoters' Shareholding (please specify, if there is no change) – No Change

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	35415677	99.98	35415677	99.98
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	35415677	99.98	35415677	99.98

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
1.	The President of India	35415677	99.9784	35415677	99.98
2.	Heavy Engineering Corporation Limited	3575	0.0101	3575	0.0101
3.	Bharat Heavy Electricals Limited	1892	0.0053	1892	0.0053
4.	Mining & Allied Machinery Corporation Limited	490	0.00138	490	0.00138
5.	Triveni Structurals Limited	490	0.00138	490	0.00138
6.	Instrumentation Limited	350	0.000988	350	0.000988
7.	Hindustan Steelworks Construction Limited	210	0.000592	210	0.000592
8.	EPI Shareholders' Trust	4	0.0000112	4	0.0000112



(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
2.	Shri S.S.Rawat, Additional charge of Chairman & Managing Director and additional charge of Director (Projects) (w.e.f. 15.09.2018 upto 18.09.2019) <u>Beginning of the year</u> <u>End of the year</u>	Nil Nil	Nil Nil	Nil Nil	Nil Nil
3.	Shri Lekh Raj, Director (Finance) (w.e.f. 13.04.2017 upto 13.09.2019) <u>Beginning of the year</u> <u>End of the year</u>	Nil Nil	Nil Nil	Nil Nil	Nil Nil
4.	Shri D. S. Rana, Chairman & Managing Director (appointed w.e.f. 19.09.2019) <u>Beginning of the year</u> <u>End of the year</u>	Nil Nil	Nil Nil	Nil Nil	Nil Nil
5.	Shri H. N. Thakur, Director (Projects) (Appointed w.e.f. 21.10.2019) <u>Beginning of the year</u> <u>End of the year</u>	Nil Nil	Nil Nil	Nil Nil	Nil Nil
6.	Smt. Neelam S. Kumar, Govt. Nominee Director <u>Beginning of the year</u> <u>End of the year</u>	Nil Nil	Nil Nil	Nil Nil	Nil Nil
7.	Smt. Sukriti Likhi, Govt. Nominee Director <u>Beginning of the year</u> <u>End of the year</u>	Nil Nil	Nil Nil	Nil Nil	Nil Nil
8.	Shri Sushant Baliga, Independent Director (upto 17.11.2019) <u>Beginning of the year</u> <u>End of the year</u>	Nil Nil	Nil Nil	Nil Nil	Nil Nil
9.	Smt. Anita Chaudhary , Independent Director (upto 30.11.2019) <u>Beginning of the year</u> <u>End of the year</u>	Nil Nil	Nil Nil	Nil Nil	Nil Nil
10.	Smt. Deepika Mehta, Company Secretary <u>Beginning of the year</u> <u>End of the year</u>	Nil Nil	Nil Nil	Nil Nil	Nil Nil



V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	Nil	Nil	Nil	Nil
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year	Nil	Nil	Nil	Nil
• Addition				
• Reduction				
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year	Nil	Nil	Nil	Nil
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl.No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Shri D. S. Rana CMD [CEO] (w.e.f. 19.09.2019)	Shri H. N. Thakur Director (Projects) (w.e.f. 21.10.2019)	Shri Lakh Raj Director (Finance) (CFO upto 13.09.2019)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2128708	1329817	2047657	5506182
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	20559	33216	171749	225524
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission - as % of profit - Others, specify...	0 0	0 0	0 0	
5	Others, specify...	0	0	0	0
	Total (A)	2149267	1363033	2219406	5731706
	Ceiling as per the Act	Not applicable as section 197 of Companies Act, 2013 shall not apply to Government Companies in terms of the Ministry of Corporate Affairs notification dated 5 th June 2015.			



B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Shri Sushant Baliga	Dr. Anita Chaudhary	
1.	Independent Directors			
	• Fee for attending board / committee meetings	70,000	70,000	1,40,000
	• Commission			
	• Others: Honorarium	30,000	-	30,000
	Total (1)	1,00,000	70,000	1,70,000
2.	Other Non-Executive Directors			
	• Fee for attending board / committee meetings	0	0	0
	• Commission			
	• Others, please specify			
	Total (2)	0	0	0
	Total (B)=(1+2)	1,00,000	70,000	1,70,000
	Total Managerial Remuneration			
	Overall Ceiling as per the Act	Not applicable as section 197 of Companies Act, 2013 shall not apply to Government Companies in terms of the Ministry of Corporate Affairs notification dated 5 th June 2015.		

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS Smt. Deepika Mehta	CFO Shri. N. K. Sharma ED (Finance) (w.e.f. 13.09.2019)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	10,36,172	17,30,359	27,66,531
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	15612	18771	34383
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission - - as % of profit - Others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	0	1051784	1749130	2800914



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

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

Place: New Delhi

Date: 20th November 2020



SECRETARIAL AUDIT REPORT

Form No. MR-3

From April 01, 2019 to March 31, 2020

[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 2020, 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 2020 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 25.09.2020, 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. Compliance of Section 149 of the Companies Act, 2013 and Rules made there under read with the DPE Guidelines on Corporate Governance with respect to the non-appointment of requisite number of Independent Directors on the Board of Company and Consequential non compliances arising due to Non-appointment of Independent Directors on the Board of the Company i.e. holding of the Audit Committee Meetings. However, all the appointments w.r.t. Directors were made by the



Government of India through Administrative Ministry i.e. Department of heavy Industries.

2. CEO was designated in the Company w.e.f. 19.09.2019, as per the requirement of the DPE guidelines and Form MGT-14 has been filled for the same. However, DIR-12 with respect of the same is not filed with the Registrar of Companies as CEO.
3. The Rights of Persons with Disabilities Act, 2016 and Rules made thereunder, is applicable on the Company, however, the company has ensured partial compliance of the provision of the Act from the perusal of the records of the Company.

The Company held Board Meetings in accordance with the provisions of Section 173 of the Companies Act, 2013 and not as per DPE Guidelines beyond control of the Company.

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 except filing of DIR-12 for the designation of CEO.

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 25.09.2020.

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 13th August 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. 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: F006529B001269351

Place: New Delhi

Date: 20.11.2020

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: F006529B001269351

Place: New Delhi
Date: 20.11.2020



Management reply to the Observations/Comments made by the Secretarial Auditor in his Secretarial Audit Report for the Financial Year 2019-20

Sl. No.	Observations/ Comments in the Report	Replies to the Observations
1.	<p>Compliance of Section 149 of the Companies Act, 2013 and Rules made there under read with the DPE Guidelines on Corporate Governance with respect to the non-appointment of requisite number of Independent Directors on the Board of Company and Consequential non compliances arising due to Non-appointment of Independent Directors on the Board of the Company i.e. holding of the Audit Committee Meetings. However, all the appointments w.r.t. Directors were made by the Government of India through Administrative Ministry i.e. Department of heavy Industries.</p>	<p>EPIL is pursuing with its Administrative Ministry i.e. Department Ministry of Heavy Industries & Public Enterprises, Government of India for appointment of Independent Director on the Board of EPIL. Thus, the provisions of Section 149 of Companies Act, 2013 shall be complied with once the Ministry appoints/ nominates Independent Director on the Board of EPIL.</p>
2.	<p>CEO was designated in the Company w.e.f. 19.09.2019, as per the requirement of the DPE guidelines and Form MGT-14 has been filled for the same. However, DIR-12 with respect of the same is not filed with the Registrar of Companies as CEO.</p>	<p>In accordance with the Section 203 of the Companies Act 2013 the requirement of having whole-time key Managerial Personnel w.r.t. Managing Director or Chief Executive Officer (CEO) shall not apply the Government Company. However CEO has been designated in pursuance to the DPE Guidelines on Corporate Governance 2010 for signing declaration/ certification of Financial statements by the CEO/CFO.</p>
3.	<p>The Rights of Persons with Disabilities Act, 2016 and Rules made thereunder, is applicable on the Company, however, the company has ensured partial compliance of the provision of the Act from the perusal of the records of the Company.</p>	<p>The Company is adhering to the all the Presidential Directives issued by the Central Government from time to time with regard to the reservations of SC/ST/OBC/PHC that is in partial compliance 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.</p>

HINDI PAKHWADA



VIGILANCE AWARENESS WEEK



SWACHHTA PAKHWADA

Sanitization / Distribution of Masks / Sanitizers in Old-Age Home





OTPC, TRIPURA



TRAINING SHED, LAITKOR, SHILLONG



STPI, GUWAHATI



NIPER, GUWAHATI



BOX CULVERT, ROAD & FENCE, TRIPURA



HAL NASIK PROJECT - OVERHAUL COMPLEX



NTPC, Sundargarh Medical College and Hospital



RGC Bio Innovation Centre, Thiruvananthapuram, Kerala : Hostel Block (Front View) and Gabion Wall



ITBP, Jabalpur



HAL NASIK PROJECT- MAA BUILDING



Admin Block, Barmer Medical College, Rajasthan



Govt Rajaji Medical College Madurai, Tamilnadu



INDEPENDENT AUDITOR'S REPORT

To the Members of
Engineering Projects (India) Limited

Revised Report on the Audit of the Standalone Financial Statements

This Audit Report is in supersession of our earlier Audit Report dated 20th November 2020 on the accounts as at 31st March 2020 of “Engineering Projects (India) Limited” has been revised to give effect to the observations made by Indian Audit and Accounts department, Office of the Principal Director of Audit (I&CA), New Delhi vide letters dated 26.11.2020, 7.12.2020 & 17.12.2020.

We have audited the standalone financial statements of “Engineering Projects (India) Limited” (“EPIL/ the Company”), which comprise the balance sheet as at 31st March 2020, and the statement of profit and loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, which are included the Returns for the year ended on that date audited by the branch auditors of the 4 (Four) Company’s Regional Offices located at Western Region, Eastern Region, Southern Region, Northern Region and 3 (Three) overseas Branches at Oman, Sri Lanka & Myanmar audited by other auditors appointed by CAG and Corporate Office/Alwar office is audited by us.

Basis for Qualified Opinion

We draw attention to the following matters:

1. Balance of Trade Receivables, Loans & Advances, Client’s Advances, Retention Money, Security Deposit, are subject to confirmation/reconciliation (Refer Note No-2.43)

	Amount (Rs. in Lakhs)
Advances for Works	3977.90
Security Deposits & Retention money Receivables	25628.71
Trade Receivables (non-current)	6690.75
Trade Receivables (current)	44212.57
Other Recoverable	19417.93
Total Receivables	99927.86

The consequential impact thereof, if any, on the financial statements remains unascertained. In these circumstances we are unable to form our opinion on the above non-confirmed balances.



2. Balance of Trade Payable and payable to other parties are subject to confirmation/reconciliation. (Refer Note No-2.43)

	Amount (Rs.in Lakhs)
Trade Payables (Long Term)	12156.18
Trade Payables (Current)	58674.29
Security Deposits & Retention Money Payables	32346.76
Security Deposits & Retention Money Payables (Current)	8978.79
Total Payables	112156.01

The consequential impact thereof, if any, on the financial statements remains unascertained. In these circumstances we are unable to form our opinion on the above non-confirmed balances.

3. Total amount receivable from M/s Uranium Corporation of India Ltd (UCIL) on account of Trade receivable, Retention & other recoverable stands at Rs. 2368.96 lakhs as on 31.03.2020. 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 31.03.2020. Thus, required provisioning is short by Rs. 1178.41 lakhs and consequently Profit of the EPIL is overstated by the same amount (Refer to Note No. 2.45).
4. EPIL is transferring GST of Head office as Input Service Distributor (ISD) to Indian Branches only in the ratio of turnover without considering the turnover of foreign branches (Oman, Sri Lanka, and Myanmar). Thus, excess credit of ISD amounting to Rs. 61.92 lakhs (FY 2018-19 Rs. 102.93 lakhs) were given to Indian Offices in contravention to provisions of IGST Act. Profit and assets of the company had been overstated by the same amount.
5. Disclosures required by AS-18 (Related Party Disclosers) and AS-19 (Leases) not given by Regional Offices (RO) in their financial statements and nor verified by respective RO Auditors. No opinion given by RO Auditors on these Accounting Standards. Therefore, we at HO level are unable to form any opinion on proper disclosure on these Accounting Standards.
6. 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.

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" paragraph above, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs of the Company as at March 31, 2020, and its profit, and its cash flows for the year ended on that date.



Basis for Opinion

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 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 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 opinion.

Emphasis of Matter

We draw attention to the following matters:

1. Attention is drawn to Accounting Policy No-1.10 on "Provision for Doubtful Debts/Loans and Advances"-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.
2. In lieu of BG provided by EPIL for ₹ 4554 lakhs on behalf of C&C Constructions Limited in Myanmar Project, EPIL has received ₹ 1906.64 lakhs and balance is treated as secure against work done in Oman. Refer to Note no.2.29(b)
3. Attention is invited to Note No-2.41 which describes that Central Bureau of Investigation (CBI) has registered 3 cases and filed FIRs against some of the employees of EPIL out of which 2 cases in respect of alleged illegal gratification taken by the accused employees for award of tenders. Investigation/enquiry is still going on.
4. EPIL is allocating Head Office overheads relating to salary and related costs thereto to Oman office only in the ratio of its turnover over the total turnover of the EPIL. This policy is inconsistent to Accounting Standard (AS)-1 which envisaged adoption of policy to give true and fair view of the entity.
5. EPIL shows mobile phones and laptops as addition during the year and the same are being capitalized in the fixed assets. The said addition represents amount paid to employees for purchase of mobile phone for their use. Since the asset is bought and held by the employees in their own name, mobile phones and laptops cannot be treated as assets of the company. The company has claimed 100% depreciation on the said mobile phones and laptops which is incorrect and the same should be added to perquisites.
6. EPIL pledged fixed deposit receipts amounting to Rs. 2050 lakhs purchased out of Client's dedicated deposit work funds with Banks to obtain Overdraft Limit of Rs. 1820 Lakhs to fund their working capital requirements. Being a custodian of fund, EPIL should obtain consent from respective clients to pledge their dedicated funds. (Refer to Note no.2.50)



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.

The Company has assessed the impact of COVID-19 on its financial statements based on the internal and external information up to the date of approval of these financial statements and expects to recover the carrying amounts of its trade receivable, project work-in-progress and inventories. At this point of time, we do not anticipate any material impact on the business, as the full consequences of the pandemic are yet unknown. We will attempt to take all steps in its control to monitor the situation and mitigate any potential impact on its business on this account. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions. (Refer note no. 2.51)

Our opinion is not qualified in respect of the above matters

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management Discussion and analysis, Board's Report, 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 financial statements or our knowledge obtained in the 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.

Responsibilities of Management and Those Charged with Governance 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, (changes in equity) 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the



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

Auditor's Responsibilities for the Audit of the standalone Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism 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 the 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 Corporation has adequate internal financial controls with reference to Standalone Financial Statements 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 Corporation'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 Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements representing the underlying transactions and events in a manner that achieves fair representation.



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 matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the 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 reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the 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. 180894 Lakhs (Rs 165993 Lakhs) total liabilities Rs 160364 Lakhs (Rs. 152844 Lakhs) as at 31st March 2020 (31st March 2019) and total revenue of Rs. 134310 Lakhs (Rs 179506 Lakhs) for the year ended on that date, as considered in the standalone financial statements. The 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.

Our opinion is not modified in respect of this matter.

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 a section 143 of the Companies Act, 2013, we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the 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 have 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 the 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 standalone financial statements comply with the Accounting Standards specified 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 "B"**.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us: -
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.26 to the financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. There were no amounts 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 the Comptroller and Auditor General of India u/s 143(5) of Companies Act, 2013 for the year ended 31st March 2020 on accounts of Head Office audited by us and 7(Seven) Regional Offices/Overseas Branches audited by other independent auditors appointed by Comptroller & Auditor General of India, refer to our separate Report in **Annexure "C"**.

For **KPMC & Associates**

Chartered Accountants

FRN: 005359C

Sd/-

CA Pankaj Kumar

(Partner)

(Membership No. 073291)

UDIN: **20073291AAAAGH1337**

Place: New Delhi

Date: 21/12/2020

50th Annual Report 2019-20



Annexure “A” to the Independent Auditor’s Report

Referred to in our Standalone Report of even date on the Accounts of **Engineering Projects (India) Limited** for the year ended on 31st March 2020.

- (i) (a) The Company has maintained proper records showing full including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items once in a year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, 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 31.03.2020 (Rs. in lakhs)	Net Block as on 31.03.2020 (Rs. in lakhs)
Building Leasehold	1	61,066	636.11	386.43

- (ii) (a) 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.
- (b) 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.
- (c) 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.
- (iii) 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.
- (iv) In our opinion and according to the information and explanations given to us the Company has not made any loans, investments, guarantee, and security in terms of Section 185 and 186 of Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public.
- (vi) As per the explanation and information given to us, the company is maintaining cost records



and these are subject to Cost Audit in pursuant to rule 6(4) of the Companies (Cost Records and Audit) Rules, 2014. 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.

(vii) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion:

- a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Sales tax, Service Tax, value added tax, duty of customs, service tax and other statutory dues and other material statutory dues as applicable with the appropriate authorities. According to the information & explanations given to us there was no undisputed outstanding statutory dues as at the last day of the financial year i.e. 31st March 2020 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Excise Duty, Service Tax, Value added Tax, Cess, which have not been deposited on account of any dispute in various offices, of the Corporation as a whole as on 31st March 2020, except the followings:

(Amount in Lakhs)

Sl. No.	Name of Region	Name of Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which it relates	Forum where dispute is pending
1	NRO	UP Trade Tax Act, 1948	UP Trade Tax	8.73	1993-94	Sales Tax Tribunal
2	NRO	Dept of Trade & Taxes, Govt of NCT of Delhi	D-VAT Interest & Penalty	58.30	2015-16	VAT Office Ward 115 Delhi
3	NRO	Dept of Trade & Taxes, Govt of NCT of Delhi	D-VAT Interest & Penalty	14.48	2017-18	VAT Office Ward 115 Delhi
4	NRO	Service Tax	Service Tax & Penalty	983.80	2012-13 W.P.(C) 31/2013 & CM 68/ 2013 DT 04-01-13	Honorable High court, New Delhi
5	WRO	Chattisgarh VAT	Chattisgarh CST demand for 2013-14 pending with Appellate at AC dept	95.87	2013-14	Appellate Tribunal



Sl. No.	Name of Region	Name of Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which it relates	Forum where dispute is pending
6	WRO	Chattisgarh VAT	Chattisgarh GST demand for 2014-15 pending with Adl Commissioner Appeal	130.17	2014-15	Add. Commissioner
7	WRO	Chattisgarh VAT	Chattisgarh VAT demand 2014-15 pending with Ald Commissioner Appeal	30.21	2014-15	Add. Commissioner
8	WRO	Chattisgarh VAT	MP VAT demand for 2016-17 pending with Asst. Commissioner Appeal	318.68	2016-17	Asst. Commissioner
9	ERO	West Bengal Commercial Tax	Demand	202.96	2005-06	West Bengal Taxation Tribunal, Kolkata
10	ERO	West Bengal Commercial Tax	Demand	11.62	2007-08	West Bengal Commercial Taxes appellate & Revisional Board, Kolkata
11	ERO	West Bengal Commercial Tax	Demand	19.14	2009-10	West Bengal Taxation Tribunal, Kolkata
12	ERO	West Bengal Commercial Tax	Demand	762.67	2011-12	West Bengal Taxation Tribunal, Kolkata
13	ERO	West Bengal Commercial	Demand	415.41	2012-13	Senior Joint Commissioner (1st Appeal) West Bengal Commercial Tax Kolkata
14	ERO	West Bengal Commercial Tax	Demand	1,030.29	2013-14	West Bengal Taxation Tribunal, Kolkata
15	ERO	West Bengal Commercial Tax	Demand	136.30	2014-15	West Bengal Taxation Tribunal, Kolkata
16	ERO	West Bengal Commercial Tax	Demand	339.11	2015-16	West Bengal Sales Tax Appellate Revisional Board



Sl. No.	Name of Region	Name of Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which it relates	Forum where dispute is pending
17	ERO	West Benga Commercial Tax	Demand	165.25	2016-17	1st appeal before Jt. Commissioner, West Bengal Commercial Tax
18	ERO	West Bengal Commercial Tax	Demand	31.26	2017-18	West Bengal Sales Tax Appellate Revisional Board
19	ERO	Service Tax Deptt.	Demand	418.64	2005-06 to 2007-08	The CESTAT, Kolkata
20	ERO	Service Tax Deptt.	Demand	37.46	2010-11 to 2012-13	The CESTAT, Kolkata
21	ERO	Service Tax Deptt.	Demand	75.09	2011-12 to 2015-16	Demand order passed by Commissioner CGST & CEX Appeals-I, Kolkata
22	ERO	Service Tax Deptt.	Demand	36.18	2004-05, 2005-06	filed before Customs Excise and Service Tax Appellate Tribunal, East Zone Bench Kolkata
23	SRO	AndhraPradesh VAT case	Demand	44.49	2008-09 & 2009-10	There was a demand for disputed tax due from Commercial Tax department, Andhra Pradesh under APVAT 2005 for the year 2008-09 and 2009-10 for an amount of Rs.4448906/-. Writ petition was filed by EPI in Honorable High Court of AP and Stay was granted by the court. Contingency Liability provided for the disputed amount of Tax.
			Total	5366.10		

- (viii) Based on our audit procedures and according to the information and explanations given to us by the management, the company has not defaulted in repayment of loans & borrowings to any financial institution, bank, government and dues to debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) 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 financial statement is envisaged. Investigation in all three cases is still going on. (Refer Note No.2.41.)

- (xi) 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.
- (xii) The Company is not a Nidhi Company, accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanation provided to us and based on our examination of the records of the Company all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where ever applicable and the details have been disclosed in the Financial Statements etc. as required by the accounting standards and Companies Act, 2013.
- (xiv) The Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanation provided to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **KPMC & Associates**
Chartered Accountants
FRN: 005359C

Sd/-
CA Pankaj Kumar
(Partner)
(Membership No. 073291)

Place: New Delhi
Date: 21/12/2020



Annexure “B”

To the independent auditor’s report on the of even date on the standalone financial statements of Engineering Projects (India) Limited.

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** (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for



external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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". However, we noticed that

- a) Process of obtaining balance confirmation and Reconciliations with the parties needs improvement.
- b) Back entries can be posted any time for the financial year before the conclusion of audit. SAP system needs further improvement.
- c) To meet the working capital requirement, management pledged Client's dedicated deposit work funds with Banks to obtain Overdraft Limit of Rs. 2050 Lakhs. As on 31st March 2020, Rs. 22755/- remains outstanding.

for KPMC & Associates

Chartered Accountants

FRN: 005359C

Sd/-

CA Pankaj Kumar

(Partner)

(Membership No. 073291)

Place: New Delhi

Date: 21/12/2020



Annexure C referred to in Section 143(5) of companies Act, 2013

S.No.	Directions	Reply
I.	Whether the company has system in place to process all the accounting transaction through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any may be stated.	The company has system in place to process all the accounting transaction through IT System. Company has maintained accounts on SAP system.
II.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	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 a lender.
II.	Whether funds received/receivable for specific schemes form central/state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	As per information and explanations given to us and based on our examination of records no funds received/ receivable for specific schemes form central/state agencies.

For KPMC & Associates
Chartered Accountants
FRN: 005359C

Sd/-
CA Pankaj Kumar
(Partner)
(Membership No : 073291)
UDIN: 20073291AAAAGH1337
Place: NewDelhi
Date: 21/12/2020



Compliance Certificate

We have conducted the audit of accounts of The Engineering Projects (India) limited for the year ended 31st March, 2020 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 **KPMC & Associates**
Chartered Accountants
FRN: 005359C

Sd/-
CA Pankaj Kumar
(Partner)
(Membership No : 073291)
UDIN: 20073291AAAAFO3053

Place: NewDelhi
Date: 20/11/2020



Company's Reply on Auditors Qualification

S.No.	Auditor's Qualification	Company's Reply														
1.	<p>Balance of Trade Receivables, Loans & Advances, Client's Advances, Retention Money, Security Deposit, are subject to confirmation/reconciliation (Refer Note No-2.43)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right;">Amount (Rs.in Lakhs)</th> </tr> </thead> <tbody> <tr> <td>Advances for Works</td> <td style="text-align: right;">3977.90</td> </tr> <tr> <td>Security Deposits & Retention money Receivables</td> <td style="text-align: right;">25628.71</td> </tr> <tr> <td>Trade Receivables(non-current)</td> <td style="text-align: right;">6690.75</td> </tr> <tr> <td>Trade Receivables (current)</td> <td style="text-align: right;">44212.57</td> </tr> <tr> <td>Other Recoverable</td> <td style="text-align: right;">19417.93</td> </tr> <tr> <td>Total Receivables</td> <td style="text-align: right;">99927.86</td> </tr> </tbody> </table> <p>The consequential impact thereof, if any, on the financial statements remains unascertained. In these circumstances we are unable to form our opinion on the above non-confirmed balances.</p>		Amount (Rs.in Lakhs)	Advances for Works	3977.90	Security Deposits & Retention money Receivables	25628.71	Trade Receivables(non-current)	6690.75	Trade Receivables (current)	44212.57	Other Recoverable	19417.93	Total Receivables	99927.86	<p>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.</p>
	Amount (Rs.in Lakhs)															
Advances for Works	3977.90															
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2.	<p>Balance of Trade Payable and payable to other parties are subject to confirmation/reconciliation. (Refer Note No-2.43)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right;">Amount (Rs.in Lakhs)</th> </tr> </thead> <tbody> <tr> <td>Trade Payables (Long Term)</td> <td style="text-align: right;">12156.18</td> </tr> <tr> <td>Trade Payables (Current)</td> <td style="text-align: right;">58674.29</td> </tr> <tr> <td>Security Deposits & Retention Money Payables</td> <td style="text-align: right;">32346.76</td> </tr> <tr> <td>Security Deposits & Retention Money Payables (Current)</td> <td style="text-align: right;">8978.79</td> </tr> <tr> <td>Total Payables</td> <td style="text-align: right;">112156.01</td> </tr> </tbody> </table> <p>The consequential impact thereof, if any, on the financial statements remains unascertained. In these circumstances we are unable to form our opinion on the above non-confirmed balances.</p>		Amount (Rs.in Lakhs)	Trade Payables (Long Term)	12156.18	Trade Payables (Current)	58674.29	Security Deposits & Retention Money Payables	32346.76	Security Deposits & Retention Money Payables (Current)	8978.79	Total Payables	112156.01	<p>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.</p>		
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Security Deposits & Retention Money Payables (Current)	8978.79															
Total Payables	112156.01															
3.	<p>Total amount receivable from M/s Uranium Corporation of India Ltd (UCIL) on account of Trade receivable, Retention & other recoverable stands at Rs. 2368.96 lakhs as on 31.03.2020. 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 31.03.2020. Thus, required provisioning is short by Rs. 1178.41 lakhs and consequently Profit</p>	<p>As per the Accounting Policy of EPIL, High Level committee of Management has 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).</p>														



S.No.	Auditor's Qualification	Company's Reply
	of the EPIL is overstated by the same amount (Refer to Note No. 2.45).	Based on this, Amount of Rs. 443.77 Lakhs was provided in the Books of Account as on 31.03.2020. However Issue is under deliberation for further remission/ reduction in liquidated damages and other recoveries between the two management. Outcome of which is expected in current financial year.
4.	EPIL is transferring GST of Head office as Input Service Distributor (ISD) to Indian Branches only in the ratio of turnover without considering the turnover of foreign branches (Oman, Sri Lanka, and Myanmar). Thus, excess credit of ISD amounting to Rs. 61.92 lakhs (FY 2018-19 Rs. 102.93 lakhs) were given to Indian Offices in contravention to provisions of IGST Act.	No incremental / additional expenditure has been incurred on goods or services on account of overseas projects which has been considered while distributing input tax credit among the various states located in India. The consequent ITC has been distributed through ISD to various states which have the common PAN of EPI. The said practice of allocation of common credit which has been made among the states falling under a common PAN is in conformity with the provisions contained in the GST law.
5.	Disclosures required by AS-18 (Related Party Disclosers) and AS-19 (Leases) not given by Regional Offices (RO) in their financial statements and nor verified by respective RO Auditors. No opinion given by RO Auditors on these Accounting Standards. Therefore, we at HO level are unable to form any opinion on proper disclosure on these Accounting Standards.	Disclosure of AS-18 (Related Party) is dealt at corporate office for company as a whole, However necessary compliance will be done at Regional Level in current Financial Year. Disclosure of AS-19 (Leases) at Regional Offices (RO) is noted for the compliance.
6.	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.	Opinion is only a matter of fact, amount is secured as mentioned in Note No. 2.29(b).



Replies on Emphasis of Matter (Standalone Financial Statement):-

S.N.	Emphasis of Matter	Replies of the Company
1.	Attention is drawn to Accounting Policy No-1.10 on “Provision for Doubtful Debts/Loans and Advances”-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.	EPIL is following the said Accounting Policy consistently.
2.	In lieu of BG provided by EPIL for Rs. 4554 lakhs on behalf of C&C Constructions Limited in Myanmar Project, EPIL has received Rs. 1906.64 lakhs and balance is treated as secure against work done in Oman. Refer to Note no.2.29(b)	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.
3.	Attention is invited to Note No-2.41 which describes that Central Bureau of Investigation (CBI) has registered 3 cases and filed FIRs against some of the employees of EPIL out of which 2 cases in respect of alleged illegal gratification taken by the accused employees for award of tenders. Investigation/enquiry is still going on.	The Company has system of Reporting of Progress of such cases to the Board on periodical Basis.
4.	EPIL is allocating Head Office overheads relating to salary and related costs thereto to Oman office only in the ratio of its turnover over the total turnover of the EPIL. This policy is inconsistent to Accounting Standard (AS)-1 which envisaged adoption of policy to give true and fair view of the entity.	Oman being a Foreign branch, the expenses of corporate office has been allocated on the basis of the turnover. Non Allocation of expenditure amongst domestic branches doesn't contravene the provisions of significant Accounting Policies as laid down in AS-1 as well as affect the true and fair view of the Entity.
5.	EPIL shows mobile phones and laptops as addition during the year and the same are being capitalized in the fixed assets. The said addition represents amount paid to employees for purchase of mobile phone for their use. Since the asset is bought and held by the employees in their own name, mobile	Mobile phones and Laptops are being given to the Employees for the Official Use. Also the income tax act allows the depreciation on the same as per the laid down procedures. Moreover there is no contravention of any provisions between Companies Act and Income



S.N.	Emphasis of Matter	Replies of the Company
	phones and laptops cannot be treated as assets of the company. The company has claimed 100% depreciation on the said mobile phones and laptops which is incorrect and the same should be added to perquisites.	Tax Act on the charging of depreciation or capitalisation in the books of the account of the company despite the assets being purchased by the employee in their own name as the Assets remain under dominant control of the company and is utilised for the Business purposes.
6.	EPIL pledged fixed deposit receipts amounting to Rs. 2050 lakhs purchased out of Client's dedicated deposit work funds with Banks to obtain Overdraft Limit of Rs. 1820 Lakhs to fund their working capital requirements. Being a custodian of fund, EPIL should obtain consent from respective clients to pledge their dedicated funds. Refer to Note no.2.50).	Necessary disclosure on this account has been in Note No. 2.50 in the notes to the Accounts. The Practice is being followed in the company to utilise the resources available at the disposal of the company in more efficient and effective manner.
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. The Company has assessed the impact of COVID-19 on its financial statements based on the internal and external information upto the date of approval of these financial statements and expects to recover the carrying amounts of its trade receivable, project work-in-progress and inventories. At this point of time, we do not anticipate any material impact on the business, as the full consequences of the pandemic are yet unknown. We will attempt to take all steps in its control to monitor the situation and mitigate any potential impact on its business on this account. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions. (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, 2020

(Amount in ₹ lakhs)

	Particulars	Note No.	As at 31st March, 2020		As at 31st March, 2019	
I.	EQUITY AND LIABILITIES					
1	Shareholders' Funds					
	a) Share Capital	2.1	3,542.27		3,542.27	
	b) Reserves and Surplus	2.2	16,314.09	19,856.36	<u>16,222.06</u>	19,764.33
2	Share Application Money Pending Allotment		-		-	
3	Non Current Liabilities					
	a) Other Long - Term Liabilities	2.3	55,517.31		45,704.54	
	b) Long - Term Provisions	2.4	2,898.17	58,415.48	<u>2,951.18</u>	48,655.72
4	Current Liabilities					
	a) Short Term Borrowings	2.5	10,855.25		5,885.47	
	b) Trade Payables	2.6				
	i) Due to MSME		486.66		182.58	
	ii) Due to Other than MSME		58,685.78		49,311.63	
	c) Other Current Liabilities	2.7	44,674.02		56,528.36	
	d) Short Term Provisions	2.8	2,908.49	117,610.20	3,002.45	114,910.49
	Total			195,882.04	<u>183,330.54</u>	
II.	ASSETS					
1	Non current assets					
	a) Tangible Assets					
	i) Property, Plant & Equipment	2.9(i)	740.43		803.34	
	b) Intangible Assets	2.9(ii)	37.10		25.85	
	c) Intangible Assets under construction	2.9(iii)	25.99		-	
	d) Deferred Tax Assets (Net)	2.10	1,872.37		1,965.00	
	e) Long Term Loans and Advances	2.11	36,641.90		30,681.31	
	f) Other Non Current Assets	2.12	26,186.00	65,503.79	<u>26,207.64</u>	59,683.14
2	Current assets					
	a) Current Investments	2.13	-		-	
	b) Inventories	2.14	102.17		18.77	
	c) Trade Receivables	2.15	44,212.56		34,715.39	
	d) Cash and cash equivalents	2.16 (i)	25,535.42		26,023.55	
	e) Other Bank Balance	2.16 (ii)	6,685.63		7,802.49	
	f) Short Term Loans and Advances	2.17	15,262.55		19,037.37	
	g) Other Current Assets	2.18	38,579.92	130,378.25	36,049.83	123,647.40
	Total			195,882.04	<u>183,330.54</u>	
	Significant Accounting Policies	1		-	-	
	Notes to accounts	2.1 to 2.53				

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

As per our report of even date attached

For KPMC & Associates

Chartered Accountants

Firm Registration No.005359C

For and on behalf of the Board of Directors

Sd/-
(CA Pankaj Kumar)

Partner

Membership No. 073291

Place: New Delhi

Dated: 20th November 2020

Sd/-
(PM CHANDRAIAH)
Director (Finance)
DIN 06970910

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

Sd/-
(Naresh Kumar Sharma)
ED (Finance) & CFO

Sd/-
(Nitesh Kumar Goyal)
Company Secretary



STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in ₹ lakhs)

Particulars		Note No.	Year ended 31st March, 2020	Year ended 31st March, 2019
I.	Revenue From Operations	2.19	133,658.95	179,104.87
II.	Other Income	2.20	732.00	517.51
III.	Total Revenue (I+II)		134,390.95	179,622.38
IV.	Expenses:			
	Operating Expenses	2.21	123,316.97	171,671.38
	Employee Benefits Expenses	2.22	7,336.75	7,620.54
	Finance Costs	2.23	852.41	501.48
	Depreciation & Amortisation Expenses	2.9	109.12	189.64
	Other Expenses	2.24	1,938.31	2,595.43
	Total Expenses		133,553.56	182,578.47
V.	Profit/ (Loss) before prior period expenses, exceptional and extraordinary items and tax (III-IV)		837.39	(2,956.09)
VI.	Prior Period Expenses (Net)	2.25	43.13	6.47
VII.	Profit/ (Loss) before exceptional and extraordinary items and tax (V-VI)		794.26	(2,962.56)
VIII.	Exceptional Items		-	-
IX.	Profit/ (Loss) before Extraordinary Items and Tax (VII-VIII)		794.26	(2,962.56)
X.	Extraordinary Items		-	-
XI.	Profit/(Loss) Before Tax (IX-X)		794.26	(2,962.56)
XII.	Tax Expense			
	Current Tax		609.60	434.31
	Earlier Years Tax Adjustments (net)		-	282.25
	Deferred Tax		92.63	(376.62)
XIII.	Profit/ (Loss) from Continuing Operations (XI-XII)		92.03	(3,302.50)
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)		92.03	(3,302.50)
XVIII.	Earnings Per Share (Basic & Diluted)	2.39	0.26	(9.32)
	Significant Accounting Policies	1		
	Notes to Accounts	2.1 to 2.53		

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

As per our report of even date attached
For KPMC & Associates
Chartered Accountants
Firm Registration No.005359C

For and on behalf of the Board of Directors

Sd/-
(CA Pankaj Kumar)
Partner
Membership No. 073291
Place: New Delhi
Dated: 20th November 2020

Sd/-
(PM CHANDRAIAH)
Director (Finance)
DIN 06970910

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

Sd/-
(Naresh Kumar Sharma)
ED (Finance) & CFO

Sd/-
(Nitesh Kumar Goyal)
Company Secretary



STANDALONE-CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in ₹ lakhs)

PARTICULARS	2019-20	2018-19
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	794.26	(2,962.56)
ADJUSTMENTS FOR:		
- DEPRECIATION AND AMORTIZATION	109.12	189.64
- LOSS/(PROFIT) ON SALE OF ASSETS (NET)	0.79	0.75
- INTEREST ON FDs	(78.61)	(73.37)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY		
- CASH & CASH EQUIVALENTS		
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	825.56	(2,845.54)
- DECREASE/(INCREASE) IN INVENTORIES	(83.40)	168.63
- DECREASE/(INCREASE) IN UNBILLED REVENUE	(2,717.57)	(3,711.49)
- DECREASE/(INCREASE) IN SUNDRY DEBTORS	(9,382.90)	195.46
- DECREASE/(INCREASE) IN FDs UNDER LIEN	(4,817.14)	49.11
- DECREASE/(INCREASE) IN LOANS & ADVANCES	12,635.70	6,527.72
- INCREASE/(DECREASE) IN CURRENT LIABILITIES & PROVISIONS	(2,247.31)	(5,557.53)
CASH GENERATED FROM OPERATIONS	(5,787.06)	(5,173.64)
- INCOME TAX	(702.23)	(339.94)
NET CASH FROM OPERATING ACTIVITIES	(6,489.29)	(5,513.58)
CASH FLOWS FROM INVESTING ACTIVITIES		
- PURCHASE/CONSTRUCTION OF FIXED ASSETS	(89.82)	(62.35)
- PROCEEDS FROM SALE OF ASSETS	5.58	1.92
- INTEREST INCOME	151.40	229.88
- FDR WITH MATURITY MORE THAN 3 MONTH	5,934.00	(3,742.14)
NET CASH FROM INVESTING ACTIVITIES	6,001.16	(3,572.69)
CASH FLOW FROM FINANCING ACTIVITIES		
- FDR WITH MATURITY MORE THAN 3 MONTH	-	-
- DIVIDEND PAID	-	-
- DIVIDEND TAX PAID	-	-
NET CASH USED IN FINANCING ACTIVITIES	-	-
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY		
- CASH & CASH EQUIVALENTS		
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(488.13)	(9,086.27)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	26,023.55	35,109.82
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25,535.42	26,023.55
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
CASH IN HAND (REFER NOTE NO 2.16)	-	0.15
CHEQUES IN HAND (REFER NOTE NO 2.16)	-	-
REMITTANCE IN TRANSIT	-	-
BALANCE WITH BANK'S IN CURRENT ACCOUNTS (REFER NOTE NO 2.16)	5,863.52	5,120.63
BALANCE WITH OTHER BANK'S FIXED DEPOSITS OTHER (REFER NOTE NO 2.16)	19,671.90	20,902.77
CASH AND CASH EQUIVALENT	25,535.42	26,023.55
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25,535.42	26,023.55

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 necessary.

As per our report of even date attached
For KPMC & Associates
Chartered Accountants
Firm Registration No.005359C

For and on behalf of the Board of Directors

Sd/-
(CA Pankaj Kumar)
Partner
Membership No. 073291
Place: New Delhi
Dated: 20th November 2020

Sd/-
(PM CHANDRAIAH)
Director (Finance)
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Chairman & Managing Director
DIN 07022825

Sd/-
(Naresh Kumar Sharma)
ED (Finance) & CFO

Sd/-
(Nitesh Kumar Goyal)
Company Secretary



Notes to Standalone Financial Statement:- (For the year ended 31st March 2020)

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%
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 costing ₹ 5,000 or less and mobile phones are fully depreciated in year of purchase.
- 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.

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 115JB 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 paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax in the future. The



Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will be able to utilize that credit during the specified period.

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 2020	As at 31st March 2019
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
Total	3,542.27	3,542.27

Note 2.1 (A)

Reconciliation of No. of Shares Outstanding	As at 31st March 2020	As at 31st March 2019
	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 2020		As at 31st March 2019	
	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 2020	As at 31st March 2019
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	14,104.96	17,407.46
Add: Profit/(Loss) for the year	92.03	(3,302.50)
Less: Dividend Paid*	-	-
Less: Dividend Distribution Tax*	-	-
Balance as at the end of the year	14,196.99	14,104.96
Total (A+B+C)	16,314.09	16,222.06

*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.

However, EPI has applied to Department of Investment and Public Asset Management (DIPAM) for exemption from payment of dividend for FY 2017-18, 2018-19 & 2019-20 due to insufficient distributable profits.

As has been discussed with DIPAM, exemption from payment of dividend for the FY 2017-18 & 2018-19 are in the process of approval.



Note No. 2.3

(Amount in ₹ lakhs)

Other Long Term Liabilities	As at 31st March 2020	As at 31st March 2019
Trade Payables		
- Micro, Small & Medium Enterprises *	-	-
- Other Other than Micro, Small & Medium Enterprises	12,157.45	11,740.00
Other Liabilities		
- Security Deposits & Retention Money #	33,410.80	30,436.95
-Advance Received from Clients	9,799.15	3,386.74
- Other Payable to Clients	149.91	140.85
Total	55,517.31	45,704.54

* 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 2020	As at 31st March 2019
Employee Benefits		
-Leave Encashment	1,227.40	1,257.02
-Gratuity	61.69	-
-Long Service Award	19.58	13.87
-Post Retirement Medical Benefits	1,584.48	1,677.45
-Post Retirement Travelling Allowance	5.02	2.84
Total	2,898.17	2,951.18



Note No. 2.5

(Amount in ₹ lakhs)

Short Term Borrowing	As at 31st March 2020	As at 31st March 2019
Secured		
- Loan Payable on Demand from Banks #	0.23	890.50
Unsecured		
- Loan Payable on Demand from Banks *	10,855.02	4,994.97
Total	10,855.25	5,885.47

Amount of ₹ 0.23 Lakhs (previous year ₹ 890.50 Lakhs) towards overdraft against pledging the clients fixed deposit (i.e. out of the deposit money of client) amounting to ₹ 2050.00 Lakhs for meeting working capital requirement of the Company.

*Amount of ₹ 10,855.02 Lakhs (previous year ₹ 4994.97 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 2020	As at 31st March 2019
Trade Payables		
- Micro, Small & Medium Enterprises *	486.66	182.58
- Other than Micro, Small & Medium Enterprises	58,685.78	49,311.63
Total	59,172.44	49,494.21

*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 ₹ 486.66 Lakhs (previous year ₹ 182.58 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 2020	As at 31st March 2019
Advance From Clients	23,802.47	37,344.25
Security Deposits, Retention & Earnest Money	8,978.79	6,110.77
Outstanding Liabilities	2,322.49	1,001.86
Other Payable to Clients	425.72	525.70
Advance Revenue for Works	5,837.56	8,869.21
Payable to Employees *	103.79	107.61
Statutory Liabilities	3,203.20	2,568.96
Total	44,674.02	56,528.36

* During the year ended on 31.03.2020 an amount of ₹ 38.72 Lakhs (previous year ₹ 38.72 Lakhs) related to Performance Related Pay is pending for release to certain employees.

Note No. 2.8

(Amount in ₹ lakhs)

Short Term Provisions	As at 31st March 2020	As at 31st March 2019
Provision for Expected Loss (As per AS-7)	1,161.82	1,375.48
Provision for Income Tax (Foreign)	609.60	434.30
Provision for Pay Revision (3rd PRC)#	693.08	735.80
Employee Benefits		
-Leave Encashment	235.25	249.20
-Gratuity	82.64	29.16
-Long Service Award	4.51	4.77
-Post Retirement Medical Benefits	121.09	173.02
-Post Retirement Travelling Allowance	0.50	0.72
Total	2,908.49	3,002.45

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 2019-20. The cumulative provision as at 31.03.2020 is ₹ 693.08 Lakhs (previous year ₹ 735.80 Lakhs as on 31.03.2019).

Note No. 2.9 (i)
Property, Plant & Equipments as on 31.03.2020

(Amount in ₹ lakhs)

DESCRIPTION	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		
	OPENING BALANCE	ADDITIONS	SALE/WRITTEN OFF	TOTAL	OPENING BALANCE	FOR THE YEAR	SALE/WRITTEN OFF	TOTAL	As at 31st March 2020	As at 31st March 2019
PROPERTY PLANT & EQUIPMENT										
LAND FREEHOLD	-	-	-	-	-	-	-	-	-	-
LAND LEASEHOLD	16.16	-	-	16.16	3.32	0.16	-	3.48	12.68	12.84
BUILDING FREEHOLD	46.87	-	-	46.87	27.81	1.09	-	28.90	17.97	19.06
BUILDING LEASEHOLD*	667.13	-	-	667.13	264.79	12.77	-	277.56	389.57	402.34
COMPUTER AND EQUIPMENTS	488.01	20.50	6.30	502.21	435.84	22.35	5.23	452.96	49.25	52.16
OFFICE AND OTHER EQUIPMENTS	255.07	13.54	3.75	264.86	210.89	21.48	3.60	228.77	36.09	44.18
CONSTRUCTION EQUIPMENTS	626.41	0.41	-	626.82	467.92	18.61	-	486.53	140.29	158.49
FURNITURES & FIXTURES	268.06	6.60	14.32	260.34	175.80	15.94	9.18	182.56	77.78	92.27
VEHICLES	72.06	-	-	72.06	50.05	5.20	-	55.25	16.81	22.00
TOTAL	2,439.77	41.05	24.37	2,456.45	1,636.43	97.60	18.01	1,716.02	740.43	803.34
PREVIOUS YEAR	2,439.59	17.90	17.72	2,439.77	1,540.86	110.64	15.07	1,636.43	803.34	-

* 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 31.03.2020****(Amount in ₹ lakhs)**

DESCRIPTION	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		
	OPENING BALANCE	ADDITIONS	SALE/ WRITTEN OFF	TOTAL	OPENING BALANCE	FOR THE YEAR	SALE/ WRITTEN OFF	TOTAL	As at 31st March 2020	As at 31st March 2019
INTANGIBLE ASSETS										
SOFTWARES (ACQUIRED)	222.10	22.78	0.15	244.72	196.24	11.52	0.14	207.62	37.10	25.85
TOTAL	222.10	22.78	0.15	244.72	196.24	11.52	0.14	207.62	37.10	25.85
PREVIOUS YEAR	177.96	44.45	0.32	222.09	117.56	78.99	0.30	196.24	25.85	-

Note No. 2.9 (iii)**Intangible assets as at 31.03.2020****(Amount in ₹ lakhs)**

DESCRIPTION	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		
	OPENING BALANCE	ADDITIONS	SALE/ WRITTEN OFF	TOTAL	OPENING BALANCE	FOR THE YEAR	SALE/ WRITTEN OFF	TOTAL	As at 31st March 2020	As at 31st March 2019
INTANGIBLE ASSETS (UNDER CONSTRUCTION)										
SOFTWARES (UNDER CONSTRUCTION)	-	25.99	-	25.99	-	-	-	-	25.99	-
TOTAL	-	25.99	-	25.99	-	-	-	-	25.99	-
PREVIOUS YEAR	-	-	-	-	-	-	-	-	-	-





Note No. 2.10

(Amount in ₹ lakhs)

Deferred Tax Assets (Net)*	As at 31st March 2020	As at 31st March 2019
Depreciation on Fixed Assets	(65.40)	(60.69)
Provision for Doubtful Debts	1,106.37	1,097.32
Provision for Employee Benefits (AS-15)	443.54	469.12
Other Disallowances	387.86	459.25
Total	1,872.37	1,965.00

* Tax rate applied for calculation of DTA is 33.384% (Income Tax 30%, surcharge 7%, health & education cess 4%)

Note No. 2.11

(Amount in ₹ lakhs)

Long term Loans and Advances	As at 31st March 2020	As at 31st March 2019
(Unsecured, Considered Good Unless Stated Otherwise)		
Advance for Works:		
-Mobilization Advance Secured Against BG	1,423.60	1,447.21
-Secured against Material	83.70	59.95
-Other Advances	2,466.63	1,863.27
Other Advances Considered Doubtful	657.44	578.80
	4,631.37	3,949.23
Less: Allowance for Bad & Doubtful Advances	(653.47)	(578.80)
	3,977.90	3,370.43
Staff Loans & Advances	12.06	12.95
Security & Retention Money	25,629.71	20,702.02
Considered Doubtful	880.22	853.12
	26,509.93	21,555.14
Less: Allowance for Bad & Doubtful Recoveries	(880.22)	(853.12)
	25,629.71	20,702.02
Advance Tax /TDS Recoverable	4,211.26	4,309.37
Less: Provision for Income Tax	(451.37)	(749.46)
	3,759.89	3,559.91
Advance Tax (Foreign)	519.41	519.41
MAT Credit (F.Y. 2019-20)	169.38	-
Indirect Tax (Recoverable, Input Tax Credit, Advance)	2,573.55	2,516.59
Total	36,641.90	30,681.31



Note No. 2.12

(Amount in ₹ lakhs)

Other Non Current Assets	As at 31st March 2020	As at 31st March 2019
Trade Receivables		
Unsecured Considered Good	6,690.75	6,013.58
Considered Doubtful	1,719.08	266.75
	8,409.83	6,280.33
Less: Allowance for Bad & Doubtful Recoveries	(1,719.08)	(266.75)
	6,690.75	6,013.58
Other Assets		
Fixed Deposits # (With Maturity More Than 3 Months but less than 12 months)	77.31	71.97
Recoverable from Clients, Vendors & Others	19,417.94	20,122.09
Considered Doubtful	61.31	1,588.29
	19,479.25	21,710.38
Less: Allowance for Bad & Doubtful Recoveries	(61.31)	(1,588.29)
	19,417.94	20,122.09
Total	26,186.00	26,207.64

As on 31.03.2020 Company has pledged fixed deposits amounting to ₹ 77.31 Lakhs (previous year ₹ 71.97 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 2020	As at 31st March 2019
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 2020	As at 31st March 2019
Materials : (Lower of Cost or NRV)		
-Steel	102.17	18.36
-Cement	-	0.41
-Pipes & Others	-	-
Total	102.17	18.77



Note No. 2.15

(Amount in ₹ lakhs)

Trade Receivables	As at 31st March 2020	As at 31st March 2019
Trade Receivables		
Unsecured Considered Good Outstanding For:-		
- Less Than Six Months	42,241.21	33,441.45
- More Than Six Months	1,971.35	1,273.94
Considered Doubtful	-	-
	<u>44,212.56</u>	<u>34,715.39</u>
Less: Allowance for Bad & Doubtful Recoveries	-	-
Total	44,212.56	34,715.39

Note No. 2.16 (i)

(Amount in ₹ lakhs)

Cash and cash equivalents	As at 31st March 2020	As at 31st March 2019
Cash & Cash Equivalents		
Balances With Banks		
-In Current Accounts*	5,863.52	5,120.63
-Fixed Deposit (With Maturity Upto 3 Months)**	<u>19,671.90</u>	<u>20,902.77</u>
	25,535.42	26,023.40
Cash on Hand	-	0.15
Total	25,535.42	26,023.55

Note No. 2.16 (ii)

(Amount in ₹ lakhs)

Other Bank Balances	As at 31st March 2020	As at 31st March 2019
Fixed Deposits # (With Maturity More Than 3 Months but less than 12 months)	5,040.63	223.49
Fixed Deposit ** (With Maturity More Than 3 Months but less than 12 months)	1,645.00	7,579.00
Total	6,685.63	7,802.49

*Out of the above Balance in Current Account ₹ 3711.71 Lakhs (previous year ₹ 3309.96 Lakhs) is held as deposit on behalf of client.



**Out of the above Balance in Fixed Deposits ₹ 252,22.16 Lakhs (previous year ₹ 274,52.07 Lakhs) is held as deposit on behalf of client. Out of the above balance of fixed deposits amounting to ₹ 210,16.90 Lakhs (previous year ₹ 209,02.77 Lakhs), FDRs of ₹ 2050.00 Lakhs (previous year ₹ 2650.00 Lakhs) is pledged with Dena Bank against overdraft taken from Dena Bank.

As on 31.03.2020 Company has pledged fixed deposits amounting to ₹ 308.07 Lakhs (Previous year ₹ 295.46 Lakhs) with clients/others on account of earnest money deposit/security deposit.

Note No. 2.17

(Amount in ₹ lakhs)

Short Term Loan & Advances	As at 31st March 2020	As at 31st March 2019
(Unsecured, Considered Good Unless Stated Otherwise)		
Advance for Works:		
-Mobilization Advance Secured Against BG	5,360.07	10,070.36
-Secured Against Material	910.38	897.50
-Other Advances	934.43	323.96
Advance Tax /TDS Recoverable	45.83	-
Indirect Tax (Recoverable, Input Tax Credit, Advance)	4,789.85	4,285.04
Staff Loans & Advances	41.76	26.03
Security, Retention & Earnest Money Receivable	3,180.23	3,434.48
Total	15,262.55	19,037.37

Note No. 2.18

(Amount in ₹ lakhs)

Other Current Assets	As at 31st March 2020	As at 31st March 2019
Interest Accrued but not due on Bank Deposits	163.85	236.64
Prepaid Expenses	562.11	677.58
Recoverable from Clients, Vendors & Others	10,105.61	10,102.71
Recoverable from Subsidiary Company	-	2.13
Unbilled Revenue	27,748.35	25,030.77
Total	38,579.92	36,049.83



Note No. 2.19

(Amount in ₹ lakhs)

Revenue From Operations	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Value of Work Done	132,511.07	178,967.06
Other Operating Income	1,147.88	137.81
Total	133,658.95	179,104.87

Note No. 2.20

(Amount in ₹ lakhs)

Other Income	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Interest Income earned on Deposits with Bank	78.61	73.36
Staff Advances	1.54	1.35
Other (Sub Contractor /Clients / I. T. Refund)	401.90	190.31
Other non-Operating Income		265.02
Unspent Liabilities/ Balances Written Back	32.52	58.60
Miscellaneous Income	158.73	149.48
Reversal of Provision for Expected Loss as per AS-7	58.70	44.41
Total	732.00	517.51

Note No. 2.21

(Amount in ₹ lakhs)

Operating Expenses	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Civil, Mechanical, Electrical Works	119,492.04	169,581.43
Design & Consultancy Charges	2,310.17	338.26
Other Direct Expenditure	626.97	653.90
Provision for Expected Loss (As per AS-7)	(162.02)	981.75
Claims Paid	1,048.89	103.60
Royalty	0.92	12.44
Total	123,316.97	171,671.38



Note No. 2.22

(Amount in ₹ lakhs)

Employee Benefits Expenses	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Salary & Allowances #	5,935.92	5,902.15
Contribution to Provident & Gratuity Funds \$	598.65	466.44
Staff Welfare Expenses *	802.18	1,251.95
Total	7,336.75	7,620.54

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

\$ Includes an amount of ₹ 25.33 Lakhs (previous year ₹ 25.27 Lakhs) on account of interest shortfall of Provident 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 2020	For the Year ended 31st March 2019
Interest Paid to		
- Bank	610.41	203.40
- Others	242.00	298.08
Total	852.41	501.48



Note No. 2.24

(Amount in ₹ lakhs)

Other Expenses	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Printing & Stationery	65.11	67.12
Rates & Taxes	50.28	61.78
Postage & Telecommunication	132.42	110.25
Repair & Maintenance	-	-
Office	290.75	329.90
Building	18.94	76.53
Other Fixed Assets	0.55	0.82
Water Power & Fuel charges	87.98	95.78
Tendering Expenses	27.10	18.01
Advertisement & Publicity	8.70	25.06
Legal & Professional Charges	228.58	313.19
Advisors On Contract	13.20	10.07
Insurance	34.18	32.11
Entertainment	11.37	12.38
Bank Charges	82.82	104.58
Vehicle Running & Maintenance	20.63	19.10
Manpower Development	4.83	19.41
Loss on sale of Fixed Assets	0.79	0.75
Sponsorship Fee	-	-
Travelling & Other Incidental Expenses (Domestic) \$	511.39	580.58
Travelling & Other Incidental Expenses (Foreign)	65.06	49.04
CSR & Sustainability *	-	-
Auditor's Remuneration @	21.10	18.18
Business Promotion	27.60	28.44
Office Rent	119.53	120.12
Computer Expenses	56.86	58.43
Membership & Subscription Fee	2.12	1.68
Filing & Registration Fee	3.85	7.48
Provision for Doubtful Debts, Loans & Advances & Others	27.10	469.81
Amounts Written off for Doubtful Recovery	-	5.83
Foreign Exchange Variation (Gain)/ Loss	(27.79)	(80.77)
Miscellaneous Expenses	53.26	39.77
Total	1,938.31	2,595.43

\$ Travelling and other incidental expenses includes ₹ 51.67 Lakhs towards site living hardship expenses (previous year ₹ 68.01 Lakhs) and travelling expenses of directors ₹ 14.68 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 required to be spent by the Company for CSR and Sustainability during the year is ₹ 1.33 Lakhs (being amount carried forward from budgets of previous year). Actual Amount spent during the year is ₹ Nil.



@ Details in respect of payment to auditors:

(Amount in ₹ lakhs)

Auditors' Remuneration	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Audit Fee #	17.01	14.49
Tax Audit #	3.13	3.21
Other Services (Certification fee)	0.03	0.48
Other Expenses	0.93	-
Total	21.10	18.18

Auditors Remuneration are recorded without GST amount.

Note No. 2.25

(Amount in ₹ lakhs)

Prior Period Adjustments (Net)	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Income		
Operating Income	-	-
Other Income	17.61	15.82
Sub-Total (A)	17.61	15.82
Less: Expenses		
Operating Expenses	17.10	9.99
Employee Remuneration and Benefits	-	-
Depreciation	-	-
Others	43.64	12.30
Sub-Total (B)	60.74	22.29
Total (A-B)	(43.13)	(6.47)

Note No. 2.26

Contingent Liabilities and Commitments		As at 31.03.20	As at 31.03.19
Claims against the company not acknowledged as debts :		(Amount in ₹ Lakhs)	(Amount in ₹ Lakhs)
1	In respect of legal and Arbitration:		
a	Claims pending for adjudication, amount thereof has been taken wherever quantified or reasonably ascertainable.*	47,411.07	46,545.33
b	In respect of cases where awards are published in favour of company but defendants have gone to appeal.*	5,905.29	6,097.01
2	In respect of Income Tax/ Sales Tax / Works Contract Tax/ Service Tax demand in respect of completed assessments under dispute/appeals.	5,366.10	5,002.43
3	In respect of Guarantees issued on behalf of Client	-	142.54

*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 ₹ 53.96 Lakhs (previous year ₹ 79.95 Lakhs) on account of implementation of ERP and Nil amount has been capitalised during FY 2019-20 in this respect.

Note No. 2.28

Expenditure in Foreign Currency:

(Amount in ₹ lakhs)

Sl.No.	Particulars	Year ended 31.03.20	Year ended 31.03.19
1	Operational Expenditure	62,647.16	1,06,669.82
2	Professional & Consultancy Charges	2,121.36	13.53
3	Foreign Exchange Fluctuation Loss	9.52	9.77
4	Purchase of Fixed Assets	4.33	4.32
5	Administrative & Other Expenses		
a	Travel	131.92	90.60
b	Tendering Expenses	-	-
c	Others	694.33	751.86
	TOTAL	65,608.62	1,07,539.90

Earning in Foreign Currency:

(Amount in ₹ lakhs)

Sl.No.	Particulars	Year ended 31.03.20	Year ended 31.03.19
1	Work Receipts	71,410.09	1,11,614.95
2	Interest Income	105.41	52.54
3	Foreign Exchange Fluctuation Gain	37.42	90.54
4	Others	10.14	2.05
	TOTAL	71,563.06	1,11,760.08

Foreign exchange remitted from Oman ₹ 3,440.42 Lakhs equivalent USD 49.50 Lakhs during the financial year 2019-20 (previous year ₹ 5,630.90 Lakhs equivalent USD 80.75 Lakhs).

Note No. 2.29

- a) Company has utilised non fund based credit limits of ₹ 63,804.80 Lakhs (Previous year ₹ 59,994.68 Lakhs) against sanctioned limit of ₹ 71,379.80 Lakhs (previous year ₹ 75,986.00 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				Previous Year			
	Domestic	Foreign	Un-allocated	Total	Domestic	Foreign	Un-allocated	Total
Type of Business	Construction				Construction			
Revenue from Operation	62,248.86	71,410.09	-	1,33,658.95	67,489.92	1,11,614.95	-	1,79,104.87
Other Income	535.19	115.55	81.26	732.00	346.45	54.59	116.47	517.51
Total Income	62,784.05	71,525.64	81.26	1,34,390.95	67,836.37	1,11,669.54	116.47	1,79,622.38
Results								
Profit before Interest, Depreciation and Tax	66.65	3,529.03	(1,839.90)	1,755.78	(2,789.07)	2,464.12	(1,946.50)	(2,271.45)
Interest	242.00	-	610.41	852.41	172.12	-	329.36	501.48
Depreciation	58.56	6.30	44.26	109.12	59.80	7.84	122.00	189.64
Profit before Tax	(233.90)	3,522.73	(2,494.57)	794.26	(3,020.99)	2,456.27	(2,397.85)	(2,962.57)
Profit After Tax	(233.90)	2,913.13	(2,587.20)	92.03	(3,020.99)	2,021.97	(2,303.48)	(3,302.50)
Capital Expenditure Addition to Tangible and Intangible Assets)	28.72	4.33	56.77	89.82	10.28	3.32	48.76	62.36
Other Information	As at 31st March 2020				As at 31st March 2019			
Total Assets	1,21,437.27	59,457.06	14,989.73	1,95,882.06	1,15,377.77	50,641.31	17,311.46	1,83,330.54
Property, Plant and Equipment & Intangible Assets (Carrying Amount)	241.53	32.76	529.23	803.52	277.07	35.05	517.07	829.19
Total Liabilities	1,01,626.70	58,737.33	15,662.65	1,76,025.68	1,01,810.68	51,059.11	10,696.42	1,63,566.21

Note No. 2.31

Disclosure pursuant to requirements of Accounting Standard 7 "Construction Contracts"

(Amount in ₹ lakhs)

Sl. No.	Particulars	As at 31.03.2020	As at 31.03.2019
1.	Revenue from operations	1,33,658.95	1,79,104.87
2.	Contract costs incurred and profit recognised upto the reporting date	12,16,745.13	11,13,058.87
3.	Advances received	33,601.62	40,730.99
4.	Gross amount due from customers for contract work- presented as an asset (Unbilled Revenue)	27,748.35	25,030.77
5.	Gross amount due to customers for contract work – presented as a liability. (Advance Revenue for Work)	5,837.56	8,869.21
6.	Retention money Receivable	24,264.55	20,083.98



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	6.60% (7.50%)	6.60% (7.50%)	6.60% (7.50%)	6.80% (7.80%)	6.60% (7.50%)
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	6.60% (7.50%)	-	-	-	-
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 Allowance
	(Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)
Projected Benefit Obligation at the beginning of year	1,728.93 (1,874.04)	1,506.23 (1,291.87)	18.64 (30.66)	1,850.47 (1,760.56)	3.56 (2.97)
Current service cost	91.71 (79.35)	103.69 (89.96)	0.85 (0.73)	36.41 (62.66)	0.27 (0.23)
Interest cost	117.32 (136.91)	103.59 (93.06)	1.22 (2.14)	137.59 (133.47)	0.20 (0.21)
Actuarial (Gain)/loss	46.12 ((101.58))	161.21 (336.65)	(9.88) ((7.96))	(35.66) ((165.71))	1.96 (1.18)
Acquisition adjustment	9.69 -	- -	- -	- -	- -
Benefits Paid	(324.53) ((259.80))	(412.08) ((305.31))	(6.49) ((6.94))	(283.24) ((271.94))	(0.46) ((1.03))
Past Service Cost	- -	- -	- -	- -	- -
Projected Benefit Obligation at end 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)

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

(Amount in ₹ lakhs)

Particulars	2019-20	2018-19
	(Funded)	(Funded)
Fair value of Plan Assets as at beginning of the year	1,699.77	1,196.01
Expected Return on Plan Assets	118.58	86.80
Actual Contributions	29.16	678.03
Actuarial Gain / (Loss)	(7.75)	(1.27)
Benefits Paid	(324.53)	(259.80)
Acquisition Adjustment	9.69	-
Fair value of Plan Assets as at end of the year	1,524.92	1,699.77



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	1,669.24 (1,728.93)	1,462.65 (1,506.23)	24.09 (18.64)	1,705.57 (1,850.47)	5.52 (3.56)
Fair value of plan assets as at end of year	1,524.92 (1,699.77)	- -	- -	- -	- -
Funded Status Asset / (Liability)	(144.32) ((29.16))	(1,462.65) ((1,506.23))	(24.09) ((18.64))	(1,705.57) ((18,50.47))	(5.52) ((3.56))
Net (Liability)/ Asset recognized in Balance Sheet	(144.32) ((29.16))	(1,462.65) ((1,506.23))	(24.09) ((18.64))	(1,705.57) ((18,50.47))	(5.52) ((3.56))

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	91.71 (79.35)	103.69 (89.96)	0.85 (0.73)	36.41 (62.66)	0.27 (0.23)
Interest cost	117.32 (136.91)	103.59 (93.06)	1.22 (2.14)	137.59 (133.47)	0.20 (0.21)
Expected return on Plan Assets	(118.58) ((86.80))	- -	- -	- -	- -
Net actuarial (Gain)/ Loss recognized in the period	53.86 ((1,00.31))	161.21 (336.65)	9.88 ((7.96))	(35.66) (165.71)	1.96 (1.18)
Past Service Cost	- -	- -	- -	- -	- -
Expenses recognized in the P & Loss A/c	144.32 (29.16)	368.49 (519.67)	11.95 ((5.08))	138.34 (361.85)	2.42 (1.62)



(v) Comparative Data of last five years - Gratuity

(Amount in ₹ lakhs)

S. No.	Particulars	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016
a)	Defined benefit obligation at the end of period	1,669.24	1,728.93	1,874.04	1,283.39	1,374.34
b)	Plan asset at the end of period	1,524.92	1,699.77	1,196.01	1,240.13	1,298.04
c)	Funded Status	(144.32)	(29.16)	(678.03)	(43.26)	(76.30)
d)	Experience adjustment on plan Liabilities (loss) / gain	(144.32)	(29.16)	(678.03)	(43.26)	(76.30)

(vi) Comparative Data of last five years - Leave encashment

(Amount in ₹ lakhs)

S. No.	Particulars	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016
a)	Defined benefit obligation at the end of period	1,462.65	1,506.23	1,291.87	1,347.23	1,322.99
b)	Fair value of Plan asset at the end of period	-	-	-	-	-
c)	Funded Status	(1,462.65)	(1,506.23)	(1,291.87)	(1,347.23)	(1,322.99)
d)	Net (Liability)/Asset recognized in Balance Sheet	(1,462.65)	(1,506.23)	(1,291.87)	(1,347.23)	(1,322.99)

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

(Amount in ₹ lakhs)

S. No.	Particulars	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016
a)	Defined benefit obligation at the end of period	24.09	18.64	30.66	44.88	51.49
b)	Fair value of Plan asset at the end of period	-	-	-	-	-
c)	Funded Status	(24.09)	(18.64)	(30.66)	(44.88)	(51.49)
d)	Net (Liability)/Asset recognized in Balance Sheet	(24.09)	(18.64)	(30.66)	(44.88)	(51.49)



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

(Amount in ₹ lakhs)

S. No.	Particulars	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016
a)	Defined benefit obligation at the end of period	1,705.57	1,850.47	1,760.56	1,846.51	1,703.65
b)	Fair value of Plan asset at the end of period	-	-	-	-	-
c)	Funded Status	(1,705.57)	(1,850.47)	(1,760.56)	(1,846.51)	(1,703.65)
d)	Net (Liability)/Asset recognized in Balance Sheet	(1,705.57)	(1,850.47)	(1,760.56)	(1,846.51)	(1,703.65)

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

(Amount in ₹ lakhs)

S. No.	Particulars	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016
a)	Defined benefit obligation at the end of period	5.52	3.56	2.97	7.85	2.73
b)	Fair value of Plan asset at the end of period	-	-	-	-	-
c)	Funded Status	(5.52)	(3.56)	(2.97)	(7.85)	(2.73)
d)	Net (Liability)/Asset recognized in Balance Sheet	(5.52)	(3.56)	(2.97)	(7.85)	(2.73)

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 S.S. Rawat, Director (Project Management) Bridge and Roof Company (India) Ltd. has been entrusted the Additional Charge of the Post of Chairman & Managing Director and Director (Projects) for a period of three (3) months with effect from 15.09.2018 which has been extended for a further period of six months w.e.f. 15.12.2018 or till the appointment of regular incumbent to these posts or until further orders, whichever is earlier. He has been associated with the Company till 18.09.2019.



(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. N. K. Sharma, Chief Financial Officer (w.e.f. 13.09.2019)
- Shri S. S. Rawat, Chairman & Managing Director (Addl. Ch.) (upto 18.09.2019)
- Shri Lekh Raj, Director (Finance) (upto 13.09.2019)
- Shri Sushant Baliga, Part Time Non Official Director (upto 17.11.2019)
- Dr. Anita Chaudhary, Part Time Non Official Director (upto 30.11.2019)
- Smt. Deepika Mehta, Company Secretary (w.e.f. 01.10.2018 & upto 01.06.2020)

iii) EPI Urban Infra Developers Limited (EPIUIDL) was incorporated as Subsidiary of EPIL on 19.5.2016.

Initially Shri S.P.S. Bakshi (under suspension from EPI and superannuated from EPI and hence ceased as Part time Chairman, EPIUIDL on 30.9.2018), Shri Vinoo Gopal (superannuated from EPI and hence ceased as Part time Director on 30.6.2018) and Shri Sushant Baliga (resigned from EPIUIDL on 31.05.2019) have been nominated as Part Time Directors. Board of Directors in its meeting held on 25.07.2017, nominated Shri N. Sivanand, who was holding additional charge of Chairman & Managing Director, EPI, as Part-time Director on the Board of EPIUIDL. However consequent upon relinquishment from EPIL, he relinquished from EPIUIDL w.e.f. 14.09.2018.

Shri Kapil Tara, ED (WRO), EPI (Currently under suspension from EPI) was nominated as Part Time CEO (KMP) and Smt. Sudha Venkata Vardhan, CS (EPI) was nominated as Part Time CS in Subsidiary Company of Engineering Projects (India) Ltd. (nomination withdrawn by EPIL consequent upon her resignation from EPIL w.e.f. 01.10.2018)

Details of transactions with subsidiary Company.

(Amount in ₹ lakhs)

Particulars	As on 31st March 2020	As on 31st March 2019	Nature
Opening Balance (Amount Recoverable) {A}	2.13	0.48	Debit
Reimbursement of Expenses on behalf of Subsidiary {B}	-	1.65	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. Accordingly ₹ 17.77 Lakhs towards 40% share in common expenditure of joint venture have been accounted for in the EPIL books of account during FY 2019-20.
- v) The following transactions were carried out with related parties in ordinary course of business:

Details of Directors Remuneration

(Amount in ₹ lakhs)

Particulars	2019-20	2018-19
Salary	55.97	53.69
Contribution to provident fund	4.67	3.58
House rent/Lease Rent	-	4.03
Medical Expenses	7.70	6.21
Sitting fees	1.40	3.55

Shri S.S. Rawat CMD (Addl. Charge) is not employed in the company and no salary/allowances have been paid to them during the FY 2019-20.

Note No. 2.34

Quantitative details for the stock of construction material are given below:

Particulars	As at 31 March 2020		As at 31 March 2019	
	Quantity (MT)	Value (₹ in lakhs)	Quantity (MT)	Value (₹ in lakhs)
CEMENT	-	-	8.53	0.41
STEEL	253.20	102.17	21.69	18.36
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.

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*	3,286.97	27.10	-	-	3,314.07
Employee Benefits	3,408.05	665.53	731.43	-	3,342.15
Pay Revision (3rd PRC)	735.80	-	42.72	-	693.08
Total	7,430.82	692.63	773.75	-	7,349.30
Previous Year	7,664.37	1,569.78	1,803.32	-	7,430.82

* 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 2020.

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 required to be spent by the Company for CSR and Sustainability during the year is ₹ 1.33 Lakhs (being amount carried forward from budgets of previous year). During the year Nil amount incurred on CSR and Sustainability activities.

Note No. 2.39

Basic and diluted earnings per share are computed by dividing net profit after tax ₹ 92.03 Lakhs (previous year net loss after tax ₹ 3,302.50 Lakhs) by 3,54,22,688 fully paid up equity share of ₹ 10 each.

	2019-20	2018-19
Basic and diluted earnings per share (₹)	0.26	(9.32)



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 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 ₹ 1733 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 Rs. 2,368.96 Lakhs as on 31.03.2020. 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 Rs 443.77 Lakhs is made upto 31.03.2020. During the year 2019-20, meetings with senior management of UCIL have been done and it is decided that a committee of EPIL and UCIL may be formed for further resorting the issues. The outcome of the same may come in this current FY i.e. 2020-21.
- 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 Rs. 4,306.22 Lakhs as on 31.03.2020, 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 Rs. 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 Rs. 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 ₹ 1,242.38 Lakhs (₹ 1,560.61 Lakhs in previous year) has been allocated to Oman during the FY 2019-20 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 ₹ 193.04 Lakhs (₹ 205.30 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 ₹ 8.24 Lakhs (Previous year ₹ 4.92 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 ₹ 9.55 Lakhs (Previous year ₹ 4.45 Lakhs)
- ii) Payable later than 1 year and not later than 5 years ₹ 13.14 Lakhs (Previous year ₹ 7.79 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 31 st March	
			2020	2019
1.	EPI-C&C JV	C&C Construction Limited, India. Engineering Projects (India) Limited, India.	60% 40%	60% 40%

Note No. 2.50

To meet the working capital requirement, management pledged Client's dedicated deposit work funds with Banks to obtain Overdraft Limit of Rs. 1820 lakhs against FDR pledged of Rs. 2050 Lakhs. As on 31st March 2020, Rs. 22755/- remains outstanding.

Note No. 2.51

Dividends payable to the shareholders are recognized in the period in which they are approved by the shareholders.

Note No. 2.52

The previous year figures have been reclassified, regrouped and recast to conform to current year's classification/ grouping.



Note No. 2.53

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.

The Company has assessed the impact of COVID-19 on its financial statements based on the internal and external information upto the date of approval of these financial statements and expects to recover the carrying amounts of its trade receivable, project work-in-progress and inventories. At this point of time, we do not anticipate any material impact on the business, as the full consequences of the pandemic are yet unknown. We will attempt to take all steps in its control to monitor the situation and mitigate any potential impact on its business on this account. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

**As per our report of even date attached
For KPMC & Associates
Chartered Accountants
Firm Registration No.005359C**

Sd/-

**(CA Pankaj Kumar)
Partner
Membership No. 073291
Dated: 20th November 2020
Place: New Delhi**

For and on behalf of the Board of Directors

Sd/-
**(PM CHANDRAIAH)
Director (Finance)
DIN No: 06970910**

Sd/-
**(Naresh Kumar Sharma)
ED (Finance) & CFO**

Sd/-
**(DHIRENDRA SINGH RANA)
Chairman & Managing Director
DIN No: 07022825**

Sd/-
**(Nitesh Kumar Goyal)
Company Secretary**



INDEPENDENT AUDITOR'S REPORT

To the Members of
Engineering Projects (India) Limited

Report on the Audit of the Consolidated Financial Statements

This Audit Report is in supersession of our earlier Audit Report dated 20th November 2020 on the accounts as at 31st March 2020 of “**Engineering Projects (India) Limited**” has been revised to give effect to the observations made by Indian Audit and Accounts department, Office of the Principal Director of Audit (I & CA), New Delhi vide letter dated 17.12.2020.

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 31st March 2020, 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”).

Basis for Qualified Opinion

We draw attention to the following matters:

1. Balance of Trade Receivables, Loans & Advances, Client's Advances, Retention Money, Security Deposit, are subject to confirmation/reconciliation (Refer Note No-2.43)

	Amount (Rs.in Lakhs)
Advances for Works	3977.90
Security Deposits & Retention money Receivables	25628.71
Trade Receivables (non-current)	6690.75
Trade Receivables (current)	44212.57
Other Recoverable	19417.93
Total Receivables	99927.86

The consequential impact thereof, if any, on the financial statements remains unascertained. In these circumstances we are unable to form our opinion on the above non-confirmed balances.



2. Balance of Trade Payable and payable to other parties are subject to confirmation/reconciliation. (Refer Note No-2.43)

	Amount (Rs.in Lakhs)
Trade Payables (Long Term)	12156.18
Trade Payables (Current)	58674.29
Security Deposits & Retention Money Payables	32346.76
Security Deposits & Retention Money Payables (Current)	8978.79
Total Payables	112156.01

The consequential impact thereof, if any, on the financial statements remains unascertained. In these circumstances we are unable to form our opinion on the above non-confirmed balances.

3. Total amount receivable from M/s Uranium Corporation of India Ltd (UCIL) on account of Trade receivable, Retention & other recoverable stands at Rs. 2368.96 lakhs as on 31.03.2020. 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 31.03.2020. Thus, required provisioning is short by Rs. 1178.41 lakhs and consequently Profit of the EPIL is overstated by the same amount (Refer to Note No. 2.45).
4. EPIL is transferring GST of Head office as Input Service Distributor (ISD) to Indian Branches only in the ratio of turnover without considering the turnover of foreign branches (Oman, Sri Lanka, and Myanmar). Thus, excess credit of ISD amounting to Rs. 61.92 lakhs (FY 2018-19 Rs. 102.93 lakhs) were given to Indian Offices in contravention to provisions of IGST Act. Profit and assets of the company had been overstated by the same amount.
5. Disclosures required by AS-18 (Related Party Disclosures) and AS 19 (Leases) not given by Regional Offices (RO) in their financial statements and nor verified by respective RO Auditors. No opinion given by RO Auditors on these Accounting Standards. Therefore, we at HO level are unable to form any opinion on proper disclosure on these Accounting Standards.
6. 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.

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" paragraph above, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated State of Affairs of the group as at March 31, 2020, and its Consolidated profit, and its Consolidated cash flows for the year ended on that date.



Basis for Opinion

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 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 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 opinion.

Emphasis of Matter

We draw attention to the following matters:

1. Attention is drawn to Accounting Policy No-1.10 on "Provision for Doubtful Debts/Loans and Advances"-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.
2. In lieu of BG provided by EPIL for ₹ 4554 lakhs on behalf of C&C Constructions Limited in Myanmar Project, EPIL has received ₹ 1906.64 lakhs/- and balance is treated as secure against work done in Oman. Refer to Note no.2.29(b)
3. Attention is invited to Note No-2.41 which describes that Central Bureau of Investigation (CBI) has registered 3 cases and filed FIRs against some of the employees of EPIL out of which 2 cases in respect of alleged illegal gratification taken by the accused employees for award of tenders. Investigation/enquiry is still going on.
4. EPIL is allocating Head Office overheads relating to salary and related costs thereto to Oman office only in the ratio of its turnover over the total turnover of the EPIL. This policy is inconsistent to Accounting Standard (AS)-1 which envisaged adoption of policy to give true and fair view of the entity.
5. EPIL shows mobile phones and laptops as addition during the year and the same are being capitalized in the fixed assets. The said addition represents amount paid to employees for purchase of mobile phone for their use. Since the asset is bought and held by the employees in their own name, mobile phones and laptops cannot be treated as assets of the company. The company has claimed 100% depreciation on the said mobile phones and laptops which is incorrect and the same should be added to perquisites.
6. EPIL pledged fixed deposit receipts amounting to Rs. 2050 lakhs purchased out of Client's dedicated deposit work funds with Banks to obtain Overdraft Limit of Rs. 1820 Lakhs to fund their working capital requirements. Being a custodian of fund, EPIL should obtain consent from respective clients to pledge their dedicated funds. (Refer to Note no.2.50)



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.

The Company has assessed the impact of COVID-19 on its financial statements based on the internal and external information up to the date of approval of these financial statements and expects to recover the carrying amounts of its trade receivable, project work-in-progress and inventories. At this point of time, we do not anticipate any material impact on the business, as the full consequences of the pandemic are yet unknown. We will attempt to take all steps in its control to monitor the situation and mitigate any potential impact on its business on this account. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions. (Refer note no. 2.51)

Our opinion is not qualified in respect of the above matters

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management Discussion and analysis, Board's Report, 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 in the 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.

Responsibilities of Management and Those Charged with Governance 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 Responsibilities 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 judgement and maintain professional scepticism 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 the 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 Corporation has adequate internal financial controls with reference to Consolidated Financial Statements 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 Corporation'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 Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements representing the underlying transactions and events in a manner that achieves fair representation.

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 matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the 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 reasonably 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, 2020, 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 Entities	Assets (in Rs)	Total Revenue (in Rs)	Net Cash Flows (in Rs)
Subsidiary			
EPI Urban Infra Developers Limited	4,02,470	Nil	Nil
Jointly Controlled Operation			
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.44,41,526 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. 44,41,526 (Rs.Nil + Rs.44,41,526). 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 84283) for the year ended 31st March 2020 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 standalone 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.

Report on Other Legal and Regulatory Requirements

1. 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 have 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 the 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 specified 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) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us: -
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 2.26 to the financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. With respect to the report pursuant to directions issued by the Comptroller and Auditor General of India u/s 143(5) of Companies Act, 2013 for the year ended 31st March 2020 on accounts of Head office audited by us and 7(Seven) Regional Offices/Overseas Branches audited by other independent auditors appointed by Comptroller & Auditor General of India, refer to "**Annexure B**".

For **KPMC & Associates**

Chartered Accountants

FRN: 005359C

Sd/-

CA. Pankaj Kumar

(Partner)

(Membership No. 073291)

UDIN:**20073291AAAAGG8702**

Place: New Delhi

Date: 21/12/2020



Annexure “A” to the independent auditor’s report of even date on the Consolidated financial statements of Engineering Projects (India) Limited.

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** (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal



financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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". However, we noticed that

- a) Process of obtaining balance confirmation and Reconciliations with the parties needs improvement.
- b) Back entries can be posted any time for the financial year before the conclusion of audit. SAP system needs further improvement.
- c) To meet the working capital requirement, management pledged Client's dedicated deposit work funds with Banks to obtain Overdraft Limit of Rs. 2050 Lakhs. As on 31st March 2020, Rs. 22755/- remains outstanding.

for KPMC & Associates

Chartered Accountants

FRN : 005359C

Sd/-

CA Pankaj Kumar

(Partner)

(Membership No. 073291)

Place: New Delhi

Date: 21.12.2020



Annexure “B” referred to in Section 143(5) of Companies Act, 2013

S.No.	Directions	Reply
I.	Whether the company has system in place to process all the accounting transaction through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any may be stated.	The company has system in place to process all the accounting transaction through IT System. Company has maintained accounts on SAP system.
II.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company’s inability to repay the loan? If yes, the financial impact may be stated.	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 a lender.
III.	Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	As per information and explanations given to us and based on our examination of records no funds received/ receivable for specific schemes form central/state agencies.

For **KPMC & Accociates**
Chartered Accountants
FRN : 005359C

Sd/-

CA Pankaj Kumar

(Partner)

(Membership No : 073291)

UDIN: **20073291AAAAGH1337**

Place: NewDelhi

Date: 21/12/2020



Company's Reply on Auditors Qualification

S.No.	Auditor's Qualification	Company's Reply														
1.	<p>Balance of Trade Receivables, Loans & Advances, Client's Advances, Retention Money, Security Deposit, are subject to confirmation/reconciliation (Refer Note No-2.43)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right;">Amount (Rs.in Lakhs)</th> </tr> </thead> <tbody> <tr> <td>Advances for Works</td> <td style="text-align: right;">3977.90</td> </tr> <tr> <td>Security Deposits & Retention money Receivables</td> <td style="text-align: right;">25628.71</td> </tr> <tr> <td>Trade Receivables(non-current)</td> <td style="text-align: right;">6690.75</td> </tr> <tr> <td>Trade Receivables (current)</td> <td style="text-align: right;">44212.57</td> </tr> <tr> <td>Other Recoverable</td> <td style="text-align: right;">19417.93</td> </tr> <tr> <td>Total Receivables</td> <td style="text-align: right;">99927.86</td> </tr> </tbody> </table> <p>The consequential impact thereof, if any, on the financial statements remains unascertained. In these circumstances we are unable to form our opinion on the above non-confirmed balances.</p>		Amount (Rs.in Lakhs)	Advances for Works	3977.90	Security Deposits & Retention money Receivables	25628.71	Trade Receivables(non-current)	6690.75	Trade Receivables (current)	44212.57	Other Recoverable	19417.93	Total Receivables	99927.86	<p>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.</p>
	Amount (Rs.in Lakhs)															
Advances for Works	3977.90															
Security Deposits & Retention money Receivables	25628.71															
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Trade Receivables (current)	44212.57															
Other Recoverable	19417.93															
Total Receivables	99927.86															
2.	<p>Balance of Trade Payable and payable to other parties are subject to confirmation/reconciliation. (Refer Note No-2.43)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right;">Amount (Rs.in Lakhs)</th> </tr> </thead> <tbody> <tr> <td>Trade Payables (Long Term)</td> <td style="text-align: right;">12156.18</td> </tr> <tr> <td>Trade Payables (Current)</td> <td style="text-align: right;">58674.29</td> </tr> <tr> <td>Security Deposits & Retention Money Payables</td> <td style="text-align: right;">32346.76</td> </tr> <tr> <td>Security Deposits & Retention Money Payables (Current)</td> <td style="text-align: right;">8978.79</td> </tr> <tr> <td>Total Payables</td> <td style="text-align: right;">112156.01</td> </tr> </tbody> </table> <p>The consequential impact thereof, if any, on the financial statements remains unascertained. In these circumstances we are unable to form our opinion on the above non-confirmed balances.</p>		Amount (Rs.in Lakhs)	Trade Payables (Long Term)	12156.18	Trade Payables (Current)	58674.29	Security Deposits & Retention Money Payables	32346.76	Security Deposits & Retention Money Payables (Current)	8978.79	Total Payables	112156.01	<p>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.</p>		
	Amount (Rs.in Lakhs)															
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Security Deposits & Retention Money Payables	32346.76															
Security Deposits & Retention Money Payables (Current)	8978.79															
Total Payables	112156.01															
3.	<p>Total amount receivable from M/s Uranium Corporation of India Ltd (UCIL) on account of Trade receivable, Retention & other recoverable stands at Rs. 2368.96 lakhs as on 31.03.2020. 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 31.03.2020. Thus, required</p>	<p>As per the Accounting Policy of EPIL, High Level committee of Management has reviewed and confirmed the realizeability of Rs. 1161.91 Lakhs. Further as per the Accounting</p>														



S.No.	Auditor's Qualification	Company's Reply
	provisioning is short by Rs. 1178.41 lakhs and consequently Profit of the EPIL is overstated by the same amount (Refer to Note No. 2.45).	<p>Policy of the company, Provisions of old outstanding are made net of payables to the Sub Contractors (Associates).</p> <p>Based on this, Amount of Rs. 443.77 Lakhs was provided in the Books of Account as on 31.03.2020. However Issue is under deliberation for further remission/ reduction in liquidated damages and other recoveries between the two management. Outcome of which is expected in current financial year.</p>
4.	EPIL is transferring GST of Head office as Input Service Distributor (ISD) to Indian Branches only in the ratio of turnover without considering the turnover of foreign branches (Oman, Sri Lanka, and Myanmar). Thus, excess credit of ISD amounting to Rs. 61.92 lakhs (FY 2018-19 Rs. 102.93 lakhs) were given to Indian Offices in contravention to provisions of IGST Act.	No incremental / additional expenditure has been incurred on goods or services on account of overseas projects which has been considered while distributing input tax credit among the various states located in India. The consequent ITC has been distributed through ISD to various states which have the common PAN of EPI. The said practice of allocation of common credit which has been made among the states falling under a common PAN is in conformity with the provisions contained in the GST law.
5.	Disclosures required by AS-18 (Related Party Disclosers) and AS-19 (Leases) not given by Regional Offices (RO) in their financial statements and nor verified by respective RO Auditors. No opinion given by RO Auditors on these Accounting Standards. Therefore, we at HO level are unable to form any opinion on proper disclosure on these Accounting Standards.	<p>Disclosure of AS-18 (Related Party) is dealt at corporate office for company as a whole, However necessary compliance will be done at Regional Level in current Financial Year.</p> <p>Disclosure of AS-19 (Leases) at Regional Offices (RO) is noted for the compliance.</p>
6.	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.	Opinion is only a matter of fact, amount is secured as mentioned in Note No. 2.29(b).



Replies on Emphasis of Matter (Consolidated Financial Statement):-

S.N.	Emphasis of Matter	Replies of the Company
1.	Attention is drawn to Accounting Policy No-1.10 on “Provision for Doubtful Debts/Loans and Advances”-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.	EPIL is following the said Accounting Policy consistently.
2.	In lieu of BG provided by EPIL for Rs. 4554 lakhs on behalf of C&C Constructions Limited in Myanmar Project, EPIL has received Rs. 1906.64 lakhs/- and balance is treated as secure against work done in Oman. Refer to Note no.2.29(b)	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.
3.	Attention is invited to Note No-2.41 which describes that Central Bureau of Investigation (CBI) has registered 3 cases and filed FIRs against some of the employees of EPIL out of which 2 cases in respect of alleged illegal gratification taken by the accused employees for award of tenders. Investigation/enquiry is still going on.	The Company has system of Reporting of Progress of such cases to the Board on periodical Basis.
4.	EPIL is allocating Head Office overheads relating to salary and related costs thereto to Oman office only in the ratio of its turnover over the total turnover of the EPIL. This policy is inconsistent to Accounting Standard (AS)-1 which envisaged adoption of policy to give true and fair view of the entity.	Oman being a Foreign branch, the expenses of corporate office has been allocated on the basis of the turnover. Non Allocation of expenditure amongst domestic branches doesn't contravene the provisions of significant Accounting Policies as laid down in AS-1 as well as affect the true and fair view of the Entity.
5.	EPIL shows mobile phones and laptops as addition during the year and the same are being capitalized in the fixed assets. The said addition represents amount paid to employees for purchase of mobile phone for their use. Since the asset is bought and held by the employees in their own name, mobile	Mobile phones and Laptops are being given to the Employees for the Official Use. Also the income tax act allows the depreciation on the same as per the laid down procedures. Moreover there is no contravention of any provisions between Companies Act and Income



S.N.	Emphasis of Matter	Replies of the Company
	phones and laptops cannot be treated as assets of the company. The company has claimed 100% depreciation on the said mobile phones and laptops which is incorrect and the same should be added to perquisites.	Tax Act on the charging of depreciation or capitalisation in the books of the account of the company despite the assets being purchased by the employee in their own name as the Assets remain under dominant control of the company and is utilised for the Business purposes.
6.	EPIL pledged fixed deposit receipts amounting to Rs. 2050 lakhs purchased out of Client's dedicated deposit work funds with Banks to obtain Overdraft Limit of Rs. 1820 Lakhs to fund their working capital requirements. Being a custodian of fund, EPIL should obtain consent from respective clients to pledge their dedicated funds. Refer to Note no.2.50).	Necessary disclosure on this account has been in Note No. 2.50 in the notes to the Accounts. The Practice is being followed in the company to utilise the resources available at the disposal of the company in more efficient and effective manner.
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. The Company has assessed the impact of COVID-19 on its financial statements based on the internal and external information upto the date of approval of these financial statements and expects to recover the carrying amounts of its trade receivable, project work-in-progress and inventories. At this point of time, we do not anticipate any material impact on the business, as the full consequences of the pandemic are yet unknown. We will attempt to take all steps in its control to monitor the situation and mitigate any potential impact on its business on this account. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions. (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, 2020

(Amount in ₹ lakhs)

	Particulars	Note No.	As at 31st March, 2020		As at 31st March, 2019	
I.	EQUITY AND LIABILITIES					
1	Shareholders' Funds					
	a) Share Capital	2.1	3,542.27		3,542.27	
	b) Reserves and Surplus	2.2	16,316.15		16,224.12	
	c) Minority Interest		1.97	19,860.39	<u>1.97</u>	19,768.36
2	Share Application Money Pending Allotment					
3	Non Current Liabilities					
	a) Other Long - Term Liabilities	2.3	55,517.31		45,704.54	
	b) Long - Term Provisions	2.4	2,898.17	58,415.48	<u>2,951.18</u>	48,655.72
4	Current Liabilities					
	a) Short Term Borrowings	2.5	10,855.25		5,885.47	
	b) Trade Payables	2.6				
	i) Due to MSME		486.66		182.58	
	ii) Due to Other than MSME		58,685.78		49,311.63	
	c) Other Current Liabilities	2.7	44,674.02		56,528.36	
	d) Short Term Provisions	2.8	2,908.49	117,610.20	3,002.45	114,910.49
	Total			1,95,886.07		<u>183,334.57</u>
II.	ASSETS					
1	Non current assets					
	a) Tangible Assets					
	i) Property, Plant & Equipment	2.9(i)	740.43		803.34	
	b) Intangible Assets	2.9(ii)	37.10		25.85	
	c) Intangible Assets under construction	2.9(iii)	25.99		-	
	d) Deferred Tax Assets (Net)	2.10	1,872.37		1,965.00	
	e) Long Term Loans and Advances	2.11	36,641.90		30,681.31	
	f) Other Non Current Assets	2.12	26,183.86	65,501.65	<u>26,205.51</u>	59,681.01
2	Current assets					
	a) Current Investments		-		-	
	b) Inventories	2.13	102.17		18.77	
	c) Trade Receivables	2.14	44,212.57		34,715.39	
	d) Cash and cash equivalents	2.15 (i)	25,541.58		26,029.71	
	e) Other Bank Balance	2.15 (ii)	6,685.63		7,802.49	
	f) Short Term Loans and Advances	2.16	15,262.55		19,037.37	
	g) Other Current Assets	2.17	3,8579.92	1,30,384.42	36,049.83	1,23,653.56
	Total			195,886.07		<u>183,334.57</u>
	Significant Accounting Policies	1		-		-
	Notes to accounts	2.1 to 2.53				

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

As per our report of even date attached

For and on behalf of the Board of Directors

For KPMC & Associates

Chartered Accountants

Firm Registration No.005359C

Sd/-

(CA Pankaj Kumar)

Partner

Membership No. 073291

Place: New Delhi

Dated: 20th November 2020

Sd/-
(PM CHANDRAIAH)
Director (Finance)
DIN 06970910

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

Sd/-
(Naresh Kumar Sharma)
ED (Finance) & CFO

Sd/-
(Nitesh Kumar Goyal)
Company Secretary



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in ₹ lakhs)

Particulars		Note No.	Year ended 31st March, 2020	Year ended 31st March, 2019
I.	Revenue From Operations	2.18	133,658.95	179,104.87
II.	Other Income	2.19	732.00	517.61
III.	Total Revenue (I+II)		134,390.95	179,622.48
IV.	Expenses:			
	Operating Expenses	2.20	123,316.97	171,671.38
	Employee Benefits Expenses	2.21	7,336.75	7,620.54
	Finance Costs	2.22	852.41	501.48
	Depreciation & Amortisation Expenses	2.9	109.12	189.64
	Other Expenses	2.23	1,938.31	2,595.43
	Total Expenses		133,553.56	182,578.47
V.	Profit/ (Loss) before prior period expenses, exceptional and extraordinary items and tax (III-IV)		837.39	(2,955.99)
VI.	Prior Period Expenses (Net)	2.24	43.13	6.47
VII.	Profit/ (Loss) before exceptional and extraordinary items and tax (V-VI)		794.26	(2,962.46)
VIII.	Exceptional Items		-	-
IX.	Profit/ (Loss) before Extraordinary Items and Tax (VII-VIII)		794.26	(2,962.46)
X.	Extraordinary Items		-	-
XI.	Profit/(Loss) Before Tax (IX-X)		794.26	(2,962.46)
XII.	Tax Expense			
	Current Tax		609.60	434.31
	Earlier Years Tax Adjustments (net)		-	282.25
	Deferred Tax		92.63	(376.62)
XIII.	Profit/ (Loss) from Continuing Operations (XI-XII)		92.03	(3,302.40)
XIV.	Profit / (Loss) from discontinuing Operations		-	(0.85)
XV.	Tax Expense of discontinuing Operations		-	-
XVI.	Profit / (Loss) from discontinuing Operations (After Tax) (XIV-XV)		-	(0.85)
XVII.	Profit / (Loss) for the year (XIII+XVI)		92.03	(3,302.25)
XVIII.	Earnings Per Share (Basic & Diluted)	2.39	0.26	(9.33)
	Significant Accounting Policies	1		
	Notes to Accounts	2.1 to 2.53		

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

As per our report of even date attached

For KPMC & Associates

Chartered Accountants

Firm Registration No.005359C

For and on behalf of the Board of Directors

Sd/-
(CA Pankaj Kumar)

Partner

Membership No. 073291

Place: New Delhi

Dated: 20th November 2020

Sd/-
(PM CHANDRAIAH)
Director (Finance)
DIN 06970910

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

Sd/-
(Naresh Kumar Sharma)
ED (Finance) & CFO

Sd/-
(Nitesh Kumar Goyal)
Company Secretary



CONSOLIDATED -CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in ₹ lakhs)

PARTICULARS	For the Year ended 31.03.2020	For the Year ended 31.03.2019
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	794.26	(2,962.46)
ADJUSTMENTS FOR:		
- DEPRECIATION AND AMORTIZATION	109.12	189.64
- LOSS/(PROFIT) ON SALE OF ASSETS (NET)	0.79	0.75
- INTEREST ON FDs	(78.61)	(73.36)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY		
- CASH & CASH EQUIVALENTS		
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	825.56	(2,845.43)
- DECREASE/(INCREASE) IN INVENTORIES	(83.40)	168.63
- DECREASE/(INCREASE) IN UNBILLED REVENUE	(2,717.57)	(3,711.48)
- DECREASE/(INCREASE) IN SUNDRY DEBTORS	(9,382.90)	195.44
- DECREASE/(INCREASE) IN FDs UNDER LIEN	(4,817.14)	49.11
- DECREASE/(INCREASE) IN LOANS & ADVANCES	12,635.70	6,527.72
- INCREASE/(DECREASE) IN CURRENT LIABILITIES & PROVISIONS	(2,247.31)	(5,557.63)
CASH GENERATED FROM OPERATIONS	(5,787.06)	(5,173.64)
- INCOME TAX	(702.23)	(339.94)
NET CASH FROM OPERATING ACTIVITIES	(6,489.29)	(5,513.58)
CASH FLOWS FROM INVESTING ACTIVITIES		
- PURCHASE/CONSTRUCTION OF FIXED ASSETS	(89.82)	(62.35)
- PROCEEDS FROM SALE OF ASSETS	5.58	1.92
- INTEREST INCOME	151.40	229.88
- FDR WITH MATURITY MORE THAN 3 MONTH	5,934.00	(3,742.14)
NET CASH FROM INVESTING ACTIVITIES	6,001.16	(3,572.69)
CASH FLOW FROM FINANCING ACTIVITIES		
- FDR WITH MATURITY MORE THAN 3 MONTH	-	-
- DIVIDEND PAID	-	-
- DIVIDEND TAX PAID	-	-
NET CASH USED IN FINANCING ACTIVITIES	-	-
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY		
- CASH & CASH EQUIVALENTS		
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(488.13)	(9,086.27)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	26,029.71	35,115.98
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25,541.58	26,029.71
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
CASH IN HAND (REFER NOTE NO 2.15)	-	0.15
CHEQUES IN HAND (REFER NOTE NO 2.15)	-	-
REMITTANCE IN TRANSIT	-	-
BALANCE WITH BANK'S IN CURRENT ACCOUNTS (REFER NOTE NO 2.15)	5,869.68	5,126.79
BALANCE WITH OTHER BANK'S FIXED DEPOSITS OTHER (REFER NOTE NO 2.15)	19,671.90	20,902.77
CASH AND CASH EQUIVALENT	25,541.58	26,029.71
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25,541.58	26,029.71

NOTE:

- Cash And Cash Equivalents Consist of Cash And Bank Balances Including FDs, Interest Accrued And Liquid Investment Excluding FDs Under Lien/Margin.
- 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.
- Cash & Cash Equivalents consists of Cash & Other bank balances and deposit with Banks.
- Previous Year Figures have been regrouped, rearranged and recasted where ever necessary.

As per our report of even date attached
For KPMC & Associates
Chartered Accountants
Firm Registration No.005359C

For and on behalf of the Board of Directors

Sd/-
(CA Pankaj Kumar)
Partner
Membership No. 073291
Place: New Delhi
Dated: 20th November 2020

Sd/-
(PM CHANDRAIAH)
Director (Finance)
DIN 06970910

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

Sd/-
(Naresh Kumar Sharma)
ED (Finance) & CFO

Sd/-
(Nitesh Kumar Goyal)
Company Secretary



Notes to Consolidated Financial Statement:- (For the year ended 31st March 2020)

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%



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 costing ₹ 5,000 or less and mobile phones are fully depreciated in year of purchase.
- 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.

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 115JB 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 paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax in the future. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will be able to utilize that credit during the specified period.

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-by-line 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 in 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 2020	As at 31st March 2019
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
Total	3,542.27	3,542.27

Note 2.1 (A)

Reconciliation of No. of Shares Outstanding	As at 31st March 2020	As at 31st March 2019
	Number	Number
At the beginning of the year	35,422,688	35,422,688
At the end of the year	35,422,688	35,422,688

Note 2.1 (B)

Number of Shares Held by Each Shareholder holding More Than 5%	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	% age	No. of Shares	% age
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 2020	As at 31st March 2019
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	14,107.02	17,410.27
Add: Profit/(Loss) for the year	92.03	(3,303.25)
Less: Dividend Paid*	-	-
Less: Dividend Distribution Tax*	-	-
Balance as at the end of the year	14,199.05	14,107.02
Total (A+B+C)	16,316.15	16,224.12

*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.

However, EPI has applied to Department of Investment and Public Asset Management (DIPAM) for exemption from payment of dividend for FY 2017-18, 2018-19 & 2019-20 due to insufficient distributable profits.

As has been discussed with DIPAM, exemption from payment of dividend for the FY 2017-18 & 2018-19 are in the process of approval.



Note No. 2.3

(Amount in ₹ lakhs)

Other Long Term Liabilities	As at 31st March 2020	As at 31st March 2019
Trade Payables		
- Micro, Small & Medium Enterprises *	-	-
- Other Other than Micro, Small & Medium Enterprises	12,157.45	11,740.00
Other Liabilities		
- Security Deposits & Retention Money #	33,410.80	30,436.95
-Advance Received from Clients	9,799.15	3,386.74
- Other Payable to Clients	149.91	140.85
Total	55,517.31	45,704.54

* 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 2020	As at 31st March 2019
Employee Benefits		
-Leave Encashment	1,227.40	1,257.02
-Gratuity	61.69	-
-Long Service Award	19.58	13.87
-Post Retirement Medical Benefits	1,584.48	1,677.45
-Post Retirement Travelling Allowance	5.02	2.84
Total	2,898.17	2,951.18



Note No. 2.5

(Amount in ₹ lakhs)

Short Term Borrowing	As at 31st March 2020	As at 31st March 2019
Secured		
- Loan Payable on Demand from Banks #	0.23	890.50
Unsecured		
- Loan Payable on Demand from Banks *	10,855.02	4,994.97
Total	10,855.25	5,885.47

Amount of ₹ 0.23 Lakhs (previous year ₹ 890.50 Lakhs) towards overdraft against pledging the clients fixed deposit (i.e. out of the deposit money of client) amounting to ₹ 2050.00 Lakhs for meeting working capital requirement of the Company.

*Amount of ₹ 10,855.02 Lakhs (previous year ₹ 4994.97 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 2020	As at 31st March 2019
Trade Payables		
- Micro, Small & Medium Enterprises *	486.66	182.58
- Other than Micro, Small & Medium Enterprises	58,685.78	49,311.63
Total	59,172.44	49,494.21

*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 ₹ 486.66 Lakhs (previous year ₹ 182.58 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 2020	As at 31st March 2019
Advance From Clients	23,802.47	37,344.25
Security Deposits, Retention & Earnest Money	8,978.79	6,110.77
Outstanding Liabilities	2,322.49	1,001.86
Other Payable to Clients	425.72	525.70
Advance Revenue for Works	5,837.56	8,869.21
Payable to Employees *	103.79	107.61
Statutory Liabilities	3,203.20	2,568.96
Total	44,674.02	56,528.36

* During the year ended on 31.03.2020 an amount of ₹ 38.72 Lakhs (previous year ₹ 38.72 Lakhs) related to Performance Related Pay is pending for release to certain employees.

Note No. 2.8

(Amount in ₹ lakhs)

Short Term Provisions	As at 31st March 2020	As at 31st March 2019
Provision for Expected Loss (As per AS-7)	1,161.82	1,375.48
Provision for Income Tax (Foreign)	609.60	434.30
Provision for Pay Revision (3rd PRC)#	693.08	735.80
Employee Benefits		
-Leave Encashment	235.25	249.20
-Gratuity	82.64	29.16
-Long Service Award	4.51	4.77
-Post Retirement Medical Benefits	121.09	173.02
-Post Retirement Travelling Allowance	0.50	0.72
Total	2,908.49	3,002.45

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 2019-20. The cumulative provision as at 31.03.2020 is ₹ 693.08 Lakhs (previous year ₹ 735.80 Lakhs as on 31.03.2019).

Note No. 2.9 (i)
Property, Plant & Equipments as on 31.03.2020

(Amount in ₹ lakhs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	OPENING BALANCE	ADDITIONS	SALE/WRITTEN OFF	TOTAL	OPENING BALANCE	FOR THE YEAR	SALE/WRITTEN OFF	TOTAL	As at 31st March 2020	As at 31st March 2019
PROPERTY PLANT & EQUIPMENT										
LAND FREEHOLD	-	-	-	-	-	-	-	-	-	-
LAND LEASEHOLD	16.16	-	-	16.16	3.32	0.16	-	3.48	12.68	12.84
BUILDING FREEHOLD	46.87	-	-	46.87	27.81	1.09	-	28.90	17.97	19.06
BUILDING LEASEHOLD*	667.13	-	-	667.13	264.79	12.77	-	277.56	389.57	402.34
COMPUTER AND EQUIPMENTS	488.01	20.50	6.30	502.21	435.84	22.35	5.23	452.96	49.25	52.16
OFFICE AND OTHER EQUIPMENTS	255.07	13.54	3.75	264.86	210.89	21.48	3.60	228.77	36.09	44.18
CONSTRUCTION EQUIPMENTS	626.41	0.41	-	626.82	467.92	18.61	-	486.53	140.29	158.49
FURNITURES & FIXTURES	268.06	6.60	14.32	260.34	175.80	15.94	9.18	182.56	77.78	92.27
VEHICLES	72.06	-	-	72.06	50.05	5.20	-	55.25	16.81	22.00
TOTAL	2,439.77	41.05	24.37	2,456.45	1,636.43	97.60	18.01	1,716.02	740.43	803.34
PREVIOUS YEAR	2,439.59	17.90	17.72	2,439.77	1,540.86	110.64	15.07	1,636.43	803.34	-

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



Note No. 2.9 (ii)
Intangible assets as at 31.03.2020

(Amount in ₹ lakhs)

DESCRIPTION	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK			
	OPENING BALANCE	ADDITIONS	SALE/ WRITTEN OFF	TOTAL	OPENING BALANCE	FOR THE YEAR	SALE/ WRITTEN OFF	TOTAL	As at 31st March 2020	As at 31st March 2019
INTANGIBLE ASSETS										
SOFTWARES (ACQUIRED)	222.10	22.78	0.15	244.72	196.24	11.52	0.14	207.62	37.10	25.85
TOTAL	222.10	22.78	0.15	244.72	196.24	11.52	0.14	207.62	37.10	25.85
PREVIOUS YEAR	177.96	44.45	0.32	222.09	117.56	78.99	0.30	196.24	25.85	-

Note No. 2.9 (iii)
Intangible assets as at 31.03.2020

(Amount in ₹ lakhs)

DESCRIPTION	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK			
	OPENING BALANCE	ADDITIONS	SALE/ WRITTEN OFF	TOTAL	OPENING BALANCE	FOR THE YEAR	SALE/ WRITTEN OFF	TOTAL	As at 31st March 2020	As at 31st March 2019
INTANGIBLE ASSETS (UNDER CONSTRUCTION)										
SOFTWARES (UNDER CONSTRUCTION)	-	25.99	-	25.99	-	-	-	-	25.99	-
TOTAL	-	25.99	-	25.99	-	-	-	-	25.99	-
PREVIOUS YEAR	-	-	-	-	-	-	-	-	-	-
Grant Total-2.9	2,661.86	89.82	24.52	2,727.16	1,832.67	109.12	18.15	1,923.64	803.52	



Note No. 2.10

(Amount in ₹ lakhs)

Deferred Tax Assets (Net)*	As at 31st March 2020	As at 31st March 2019
Depreciation on Fixed Assets	(65.40)	(60.69)
Provision for Doubtful Debts	1,106.37	1,097.32
Provision for Employee Benefits (AS-15)	443.54	469.12
Other Disallowances	387.86	459.25
Total	1,872.37	1,965.00

* Tax rate applied for calculation of DTA is 33.384% (Income Tax 30%, surcharge 7%, health & education cess 4%)

Note No. 2.11

(Amount in ₹ lakhs)

Long term Loans and Advances	As at 31st March 2020	As at 31st March 2019
(Unsecured, Considered Good Unless Stated Otherwise)		
Advance for Works:		
-Mobilization Advance Secured Against BG	1,423.60	1,447.21
-Secured against Material	83.70	59.95
-Other Advances	2,466.63	1,863.27
Other Advances Considered Doubtful	657.44	578.80
	4,631.37	3,949.23
Less: Allowance for Bad & Doubtful Advances	(653.47)	(578.80)
Staff Loans & Advances	12.06	12.95
Security & Retention Money	25,629.71	20,702.02
Considered Doubtful	880.22	853.12
	26,509.93	21,555.14
Less: Allowance for Bad & Doubtful Recoveries	(880.22)	(853.12)
Advance Tax /TDS Recoverable	4,211.26	4,309.37
Less: Provision for Income Tax	(451.37)	(749.46)
Advance Tax (Foreign)	519.41	519.41
MAT Credit (F.Y. 2019-20)	169.38	-
Indirect Tax (Recoverable, Input Tax Credit, Advance)	2,573.55	2,516.59
Total	36,641.90	30,681.31



Note No. 2.12

(Amount in ₹ lakhs)

Other Non Current Assets	As at 31st March 2020	As at 31st March 2019
Trade Receivables		
Unsecured Considered Good	6,690.75	6,013.58
Considered Doubtful	1,719.08	266.75
	8,409.83	6,280.33
Less: Allowance for Bad & Doubtful Recoveries	(1,719.08)	(266.75)
	6,690.75	6,013.58
Other Assets		
Fixed Deposits #(With Maturity More Than 3 Months but less than 12 months)	77.31	71.97
Recoverable from Clients, Vendors & Others	19,415.80	20,119.96
Considered Doubtful	61.31	1,588.29
	19,477.11	21,708.25
Less: Allowance for Bad & Doubtful Recoveries	(61.31)	(1,588.29)
	19,415.80	20,119.96
Total	26,183.86	26,205.51

As on 31.03.2020 Company has pledged fixed deposits amounting to ₹ 77.31 Lakhs (previous year ₹ 71.97 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 2020	As at 31st March 2019
Materials :(Lower of Cost or NRV)		
-Steel	102.17	18.36
-Cement	-	0.41
-Pipes & Others	-	-
Total	102.17	18.77



Note No. 2.14

(Amount in ₹ lakhs)

Trade Receivables	As at 31st March 2020	As at 31st March 2019
Trade Receivables		
Unsecured Considered Good Outstanding For:-		
- Less Than Six Months	42,241.21	33,441.45
- More Than Six Months	1,971.35	1,273.94
Considered Doubtful	-	-
	44,212.56	34,715.39
Less: Allowance for Bad & Doubtful Recoveries	-	-
Total	44,212.56	34,715.39

Note No. 2.15 (i)

(Amount in ₹ lakhs)

Cash and cash equivalents	As at 31st March 2020	As at 31st March 2019
Cash & Cash Equivalents		
Balances With Banks		
-In Current Accounts*	5,869.68	5,126.79
-Fixed Deposit (With Maturity Upto 3 Months)**	19,671.90	20,902.77
	25,541.58	26,029.56
Cash on Hand	-	0.15
Total	25,541.58	26,029.71

Note No. 2.15 (ii)

(Amount in ₹ lakhs)

other Bank Balances	As at 31st March 2020	As at 31st March 2019
Fixed Deposits # (With Maturity More Than 3 Months but less than 12 months)	5,040.63	223.49
Fixed Deposit ** (With Maturity More Than 3 Months but less than 12 months)	1,645.00	7,579.00
Total	6,685.63	7,802.49

*Out of the above Balance in Current Account ₹ 3711.71 Lakhs (previous year ₹ 3309.96 Lakhs) is held as deposit on behalf of client.



**Out of the above Balance in Fixed Deposits ₹ 25,222.16 Lakhs (previous year ₹ 27,452.07 Lakhs) is held as deposit on behalf of client. Out of the above balance of fixed deposits amounting to ₹ 21,016.90 Lakhs (previous year ₹ 20,902.77 Lakhs), FDRs of ₹ 2,050.00 Lakhs (previous year ₹ 2,650.00 Lakhs) is pledged with Dena Bank against overdraft taken from Dena Bank.

As on 31.03.2020 Company has pledged fixed deposits amounting to ₹ 308.07 Lakhs (Previous year ₹ 295.46 Lakhs) with clients/others on account of earnest money deposit/security deposit.

Note No. 2.16

(Amount in ₹ lakhs)

Short Term Loan & Advances	As at 31st March 2020	As at 31st March 2019
(Unsecured, Considered Good Unless Stated Otherwise)		
Advance for Works:		
-Mobilization Advance Secured Against BG	5,360.07	10,070.36
-Secured Against Material	910.38	897.50
-Other Advances	934.43	323.96
Advance Tax /TDS Recoverable	45.83	-
Indirect Tax (Recoverable, Input Tax Credit, Advance)	4,789.85	4,285.04
Staff Loans & Advances	41.76	26.03
Security, Retention & Earnest Money Receivable	3,180.23	3,434.48
Total	15,262.55	19,037.37

Note No. 2.17

(Amount in ₹ lakhs)

Other Current Assets	As at 31st March 2020	As at 31st March 2019
Interest Accrued but not due on Bank Deposits	163.85	236.64
Prepaid Expenses	562.11	677.58
Recoverable from Clients, Vendors & Others	10,105.61	10,102.71
Recoverable from Subsidiary Company	-	2.13
Unbilled Revenue	27,748.35	25,030.77
Total	38,579.92	36,049.83



Note No. 2.18

(Amount in ₹ lakhs)

Revenue From Operations	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Value of Work Done	132,511.07	178,967.06
Other Operating Income	1,147.88	137.81
Total	133,658.95	179,104.87

Note No. 2.19

(Amount in ₹ lakhs)

Other Income	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Interest Income earned on Deposits with Bank	78.61	73.36
Staff Advances	1.54	1.35
Other (Sub Contractor/Clients /I. T. Refund)	401.90	190.31
Other non-Operating Income	482.05	265.02
Unspent Liabilities/ Balances Written Back	32.52	58.60
Miscellaneous Income	158.73	149.58
Reversal of Provision for Expected Loss as per AS-7	58.70	44.41
Total	732.00	517.61

Note No. 2.20

(Amount in ₹ lakhs)

Operating Expenses	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Civil, Mechanical, Electrical Works	119,492.04	169,581.43
Design & Consultancy Charges	2,310.17	338.26
Other Direct Expenditure	626.97	653.90
Provision for Expected Loss (As per AS-7)	(162.02)	981.75
Claims Paid	1,048.89	103.60
Royalty	0.92	12.44
Total	123,316.97	171,671.38



Note No. 2.21

(Amount in ₹ lakhs)

Employee Benefits Expenses	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Salary & Allowances #	5,935.92	5,902.15
Contribution to Provident & Gratuity Funds \$	598.65	466.44
Staff Welfare Expenses *	802.18	1,251.95
Total	7,336.75	7,620.54

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

\$ Includes an amount of ₹ 25.33 Lakhs (previous year ₹ 25.27 Lakhs) on account of interest shortfall of Provident 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 2020	For the Year ended 31st March 2019
Interest Paid to		
- Bank	610.41	203.40
- Others	242.00	298.08
Total	852.41	501.48



Note No. 2.23

(Amount in ₹ lakhs)

Other Expenses	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Printing & Stationery	65.11	67.12
Rates & Taxes	50.28	61.78
Postage & Telecommunication	132.42	110.25
Repair & Maintenance	-	-
Office	290.75	329.90
Building	18.94	76.53
Other Fixed Assets	0.55	0.82
Water Power & Fuel charges	87.98	95.78
Tendering Expenses	27.10	18.01
Advertisement & Publicity	8.70	25.06
Legal & Professional Charges	228.58	313.19
Advisors On Contract	13.20	10.07
Insurance	34.18	32.11
Entertainment	11.37	12.38
Bank Charges	82.82	104.58
Vehicle Running & Maintenance	20.63	19.10
Manpower Development	4.83	19.41
Loss on sale of Fixed Assets	0.79	0.75
Sponsorship Fee	-	-
Travelling & Other Incidental Expenses (Domestic) \$	511.39	580.58
Travelling & Other Incidental Expenses (Foreign)	65.06	49.04
CSR & Sustainability *	-	-
Auditor's Remuneration @	21.10	18.18
Business Promotion	27.60	28.44
Office Rent	119.53	120.12
Computer Expenses	56.86	58.43
Membership & Subscription Fee	2.12	1.68
Filing & Registration Fee	3.85	7.48
Provision for Doubtful Debts, Loans & Advances & Others	27.10	469.81
Amounts Written off for Doubtful Recovery	-	5.83
Foreign Exchange Variation (Gain)/ Loss	(27.79)	(80.77)
Miscellaneous Expenses	53.26	39.77
Total	1,938.31	2,595.43

\$ Travelling and other incidental expenses includes ₹ 51.67 Lakhs towards site living hardship expenses (previous year ₹ 68.01 Lakhs) and travelling expenses of directors ₹ 14.68 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 required to be spent by the Company for CSR and Sustainability during the year is ₹ 1.33 Lakhs (being amount carried forward from budgets of previous year). Actual Amount spent during the year is ₹ Nil.



@ Details in respect of payment to auditors:

(Amount in ₹ lakhs)

Auditors' Remuneration	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Audit Fee #	17.01	14.49
Tax Audit #	3.13	3.21
Other Services (Certification fee)	0.03	0.48
Other Expenses	0.93	-
Total	21.10	18.18

Auditors Remuneration are recorded without GST amount.

Note No. 2.24

(Amount in ₹ lakhs)

Prior Period Adjustments (Net)	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Income	-	-
Other Income	17.61	15.82
Sub-Total (A)	17.61	15.82
Less: Expenses		
Operating Expenses	17.10	9.99
Employee Remuneration and Benefits	-	-
Depreciation	-	-
Others	43.64	12.30
Sub-Total (B)	60.74	22.29
Total (A-B)	(43.13)	6.47)



Note No. 2.25

Group Companies

The consolidated financial statements relate to Engineering Projects (India) Limited (The Company) and its 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 Rs. lakhs)	
			As on 31.03.2020	As on 31.03.2019	As on 31.03.2020	As on 31.03.2019
1	EPI Urban Infra Developers Limited	Subsidiary	51%	51%	-	(0.85)

*Unaudited financial statements are considered in the consolidation financial statements of the Group.

Note No. 2.26

(Amount in ₹ lakhs)

Contingent Liabilities and Commitments		As at 31.03.20	As at 31.03.19
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.*	47,411.07	46,545.33
b	In respect of cases where awards are published in favour of company but defendants have gone to appeal.*	5,905.29	6,097.01
2	In respect of Income Tax/ Sales Tax / Works Contract Tax/ Service Tax demand in respect of completed assessments under dispute/appeals.	5,366.10	5,002.43
3	In respect of Guarantees issued on behalf of Client	-	142.54

*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 ₹ 53.96 Lakhs (previous year ₹ 79.95 Lakhs) on account of implementation of ERP and Nil amount has been capitalised during FY 2019-20 in this respect.

Note No. 2.28

Expenditure in Foreign Currency:

(Amount in ₹ lakhs)

Sl.No.	Particulars	Year ended 31.03.20	Year ended 31.03.19
1	Operational Expenditure	62,647.16	1,06,669.82
2	Professional & Consultancy Charges	2,121.36	13.53
3	Foreign Exchange Fluctuation Loss	9.52	9.77
4	Purchase of Fixed Assets	4.33	4.32
5	Administrative & Other Expenses		
a	Travel	131.92	90.60
b	Tendering Expenses	-	-
c	Others	694.33	751.86
	TOTAL	65,608.62	1,07,539.90

Earning in foreign currency:

(Amount in ₹ lakhs)

Sl.No.	Particulars	Year ended 31.03.20	Year ended 31.03.19
1	Work Receipts	71,410.09	1,11,614.95
2	Interest Income	105.41	52.54
3	Foreign Exchange Fluctuation Gain	37.42	90.54
4	Others	10.14	2.05
	TOTAL	71,563.06	1,11,760.08

Foreign exchange remitted from Oman ₹ 3,440.42 Lakhs equivalent USD 49.50 Lakhs during the financial year 2019-20 (previous year ₹ 5,630.90 Lakhs equivalent USD 80.75 Lakhs).

Note No. 2.29

- a) Company has utilised non fund based credit limits of ₹ 63,804.80 Lakhs (Previous year ₹ 59,994.68 Lakhs) against sanctioned limit of ₹ 71,379.80 Lakhs (previous year ₹ 75,986.00 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				Previous Year			
	Domestic	Foreign	Un-allocated	Total	Domestic	Foreign	Un-allocated	Total
Type of Business	Construction				Construction			
Revenue from Operation	62,248.86	71,410.09	-	1,33,658.95	67,489.92	1,11,614.95	-	1,79,104.87
Other Income	535.19	115.55	81.26	732.00	346.45	54.59	116.57	517.61
Total Income	62,784.05	71,525.64	81.26	1,34,390.95	67,836.37	1,11,669.54	116.57	1,79,622.48
Results								
Profit before Interest, Depreciation and Tax	66.65	3,529.03	(1,839.90)	1,755.78	(2,789.07)	2,464.12	(1,946.39)	(2,271.34)
Interest	242.00	-	610.41	852.41	172.12	-	329.36	501.48
Depreciation	58.56	6.30	44.26	109.12	59.80	7.84	122.00	189.64
Profit before Tax	(233.90)	3,522.73	(2,494.57)	794.26	(3,020.99)	2,456.27	(2,397.75)	(2,962.46)
Profit After Tax	(233.90)	2,913.13	(2,587.20)	92.03	(3,020.99)	2,021.97	(2,304.23)	(3,303.25)
Capital Expenditure Addition to Tangible and Intangible Assets)	28.72	4.33	56.77	89.82	10.28	3.32	48.76	62.35
Total Assets	1,21,437.27	59,457.06	14,993.75	1,95,886.08	1,15,377.77	50,641.31	17,315.48	1,83,334.56
Property, Plant and Equipment & Intangible Assets (Carrying Amount)	241.53	32.76	529.23	803.52	277.06	35.05	517.07	829.18
Total Liabilities	1,01,626.70	58,737.33	15,662.65	1,76,025.69	1,01,810.68	51,059.11	10,696.42	1,63,566.21

Note No. 2.31

Disclosure pursuant to requirements of Accounting Standard 7 "Construction Contracts"

(Amount in ₹ lakhs)

Sl. No.	Particulars	As at 31.03.2020	As at 31.03.2019
1.	Revenue from operations	1,33,658.95	1,79,104.87
2.	Contract costs incurred and profit recognised upto the reporting date	12,16,745.13	11,13,058.87
3.	Advances received	33,601.62	40,730.99
4.	Gross amount due from customers for contract work- presented as an asset (Unbilled Revenue)	27,748.35	25,030.77
5.	Gross amount due to customers for contract work presented as a liability. (Advance Revenue for Work)	5,837.56	8,869.21
6.	Retention money Receivable	24,264.55	20,083.98



Note No. 2.32

Details of Employee benefits as per AS-15:-

i) Changes in defined benefit obligation

(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)
Discount rate	6.60% (7.50%)	6.60% (7.50%)	6.60% (7.50%)	6.80% (7.80%)	6.60% (7.50%)
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	6.60% (7.50%)	-	-	-	-
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



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)
Projected Benefit Obligation at the beginning of year	1,728.93 (1,874.04)	1,506.23 (1,291.87)	18.64 (30.66)	1,850.47 (1,760.56)	3.56 (2.97)
Current service cost	91.71 (79.35)	103.69 (89.96)	0.85 (0.73)	36.41 (62.66)	0.27 (0.23)
Interest cost	117.32 (136.91)	103.59 (93.06)	1.22 (2.14)	137.59 (133.47)	0.20 (0.21)
Actuarial (Gain)/loss	46.12 ((101.58))	161.21 (336.65)	(9.88) ((7.96))	(35.66) ((165.71))	1.96 (1.18)
Acquisition adjustment	9.69 -	- -	- -	- -	- -
Benefits Paid	(324.53) ((259.80))	(412.08) ((305.31))	(6.49) ((6.94))	(283.24) ((271.94))	(0.46) ((1.03))
Past Service Cost	-				
Projected Benefit Obligation at end 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)

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

(Amount in ₹ lakhs)

Particulars	2019-20	2018-19
		(Funded)
Fair value of Plan Assets as at beginning of the year	1,699.77	1,196.01
Expected Return on Plan Assets	118.58	86.80
Actual Contributions	29.16	678.03
Actuarial Gain / (Loss)	(7.75)	(1.27)
Benefits Paid	(324.53)	(259.80)
Acquisition Adjustment	9.69	-
Fair value of Plan Assets as at end of the year	1,524.92	1,699.77



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	1,669.24 (1,728.93)	1,462.65 (1,506.23)	24.09 (18.64)	1,705.57 (1,850.47)	5.52 (3.56)
Fair value of plan assets as at end of year	1,524.92 (1,699.77)	- -	- -	- -	- -
Funded Status Asset / (Liability)	(144.32) ((29.16))	(1,462.65) ((1,506.23))	(24.09) ((18.64))	(1,705.57) ((18,50.47))	(5.52) ((3.56))
Net (Liability)/ Asset recognized in Balance Sheet	(144.32) ((29.16))	(1,462.65) ((1,506.23))	(24.09) ((18.64))	(1,705.57) ((18,50.47))	(5.52) ((3.56))

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	91.71 (79.35)	103.69 (89.96)	0.85 (0.73)	36.41 (62.66)	0.27 (0.23)
Interest cost	117.32 (136.91)	103.59 (93.06)	1.22 (2.14)	137.59 (133.47)	0.20 (0.21)
Expected return on Plan Assets	(118.58) ((86.80))	- -	- -	- -	- -
Net actuarial (Gain)/ Loss recognized in the period	53.86 ((1,00.31))	161.21 (336.65)	9.88 ((7.96))	(35.66) (165.71)	1.96 (1.18)
Past Service Cost	- -	- -	- -	- -	- -
Expenses recognized in the P & Loss A/c	144.32 (29.16)	368.49 (519.67)	11.95 ((5.08))	138.34 (361.85)	2.42 (1.62)



(v) Comparative Data of last five years - Gratuity

(Amount in ₹ lakhs)

S. No.	Particulars	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016
a)	Defined benefit obligation at the end of period	1,669.24	1,728.93	1,874.04	1,283.39	1,374.34
b)	Plan asset at the end of period	1,524.92	1,699.77	1,196.01	1,240.13	1,298.04
c)	Funded Status	(144.32)	(29.16)	(678.03)	(43.26)	(76.30)
d)	Experience adjustment on plan Liabilities (loss) / gain	(144.32)	(29.16)	(678.03)	(43.26)	(76.30)

(vi) Comparative Data of last five years - Leave encashment

(Amount in ₹ lakhs)

S. No.	Particulars	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016
a)	Defined benefit obligation at the end of period	1,462.65	1,506.23	1,291.87	1,347.23	1,322.99
b)	Fair value of Plan asset at the end of period	-	-	-	-	-
c)	Funded Status	(1,462.65)	(1,506.23)	(1,291.87)	(1,347.23)	(1,322.99)
d)	Net (Liability)/Asset recognized in Balance Sheet	(1,462.65)	(1,506.23)	(1,291.87)	(1,347.23)	(1,322.99)

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

(Amount in ₹ lakhs)

S. No.	Particulars	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016
a)	Defined benefit obligation at the end of period	24.09	18.64	30.66	44.88	51.49
b)	Fair value of Plan asset at the end of period	-	-	-	-	-
c)	Funded Status	(24.09)	(18.64)	(30.66)	(44.88)	(51.49)
d)	Net (Liability)/Asset recognized in Balance Sheet	(24.09)	(18.64)	(30.66)	(44.88)	(51.49)



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

(Amount in ₹ lakhs)

S. No.	Particulars	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016
a)	Defined benefit obligation at the end of period	1,705.57	1,850.47	1,760.56	1,846.51	1,703.65
b)	Fair value of Plan asset at the end of period	-	-	-	-	-
c)	Funded Status	(1,705.57)	(1,850.47)	(1,760.56)	(1,846.51)	(1,703.65)
d)	Net (Liability)/Asset recognized in Balance Sheet	(1,705.57)	(1,850.47)	(1,760.56)	(1,846.51)	(1,703.65)

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

(Amount in ₹ lakhs)

S. No.	Particulars	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016
a)	Defined benefit obligation at the end of period	5.52	3.56	2.97	7.85	2.73
b)	Fair value of Plan asset at the end of period	-	-	-	-	-
c)	Funded Status	(5.52)	(3.56)	(2.97)	(7.85)	(2.73)
d)	Net (Liability)/Asset recognized in Balance Sheet	(5.52)	(3.56)	(2.97)	(7.85)	(2.73)

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 S.S. Rawat, Director (Project Management) Bridge and Roof Company (India) Ltd. has been entrusted the Additional Charge of the Post of Chairman & Managing Director and Director (Projects) for a period of three (3) months with effect from 15.09.2018 which has been extended for a further period of six months w.e.f. 15.12.2018 or till the appointment of regular incumbent to these posts or until further orders, whichever is earlier. He has been associated with the Company till 18.09.2019.



(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. N. K. Sharma, Chief Financial Officer (w.e.f. 13.09.2019)
- Shri S. S. Rawat, Chairman & Managing Director (Addl. Ch.) (upto 18.09.2019)
- Shri Lekh Raj, Director (Finance) (upto 13.09.2019)
- Shri Sushant Baliga, Part Time Non Official Director (upto 17.11.2019)
- Dr. Anita Chaudhary, Part Time Non Official Director (upto 30.11.2019)
- Smt. Deepika Mehta, Company Secretary (w.e.f. 01.10.2018 & upto 01.06.2020)

iii) EPI Urban Infra Developers Limited (EPIUIDL) was incorporated as Subsidiary of EPIL on 19.5.2016. Initially Shri S.P.S. Bakshi (under suspension from EPI and superannuated from EPI and hence ceased as Part time Chairman, EPIUIDL on 30.9.2018), Shri Vinoo Gopal (superannuated from EPI and hence ceased as Part time Director on 30.6.2018) and Shri Sushant Baliga (resigned from EPIUIDL on 31.05.2019) have been nominated as Part Time Directors. Board of Directors in its meeting held on 25.07.2017, nominated Shri N. Sivanand, who was holding additional charge of Chairman & Managing Director, EPI, as Part-time Director on the Board of EPIUIDL. However consequent upon relinquishment from EPIL, he relinquished from EPIUIDL w.e.f. 14.09.2018.

Shri Kapil Tara, ED (WRO), EPI (Currently under suspension from EPI) was nominated as Part Time CEO (KMP) and Smt. Sudha Venkata Vardhan, CS (EPI) was nominated as Part Time CS in Subsidiary Company of Engineering Projects (India) Ltd. (nomination withdrawn by EPIL consequent upon her resignation from EPIL w.e.f. 01.10.2018)

Details of transactions with subsidiary Company.

(Amount in ₹ lakhs)

Particulars	As on 31st March 2020	As on 31st March 2019	Nature
Opening Balance (Amount Recoverable) {A}	2.13	0.48	Debit
Reimbursement of Expenses on behalf of Subsidiary {B}	-	1.65	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. Accordingly ₹ 17.77 Lakhs towards 40% share in common expenditure of joint venture have been accounted for in the EPIL books of account during FY 2019-20.
- v) The following transactions were carried out with related parties in ordinary course of business

Details of Directors Remuneration

(Amount in ₹ lakhs)

Particulars	2019-20	2018-19
Salary	55.97	53.69
Contribution to provident fund	4.67	3.58
House rent/Lease Rent	-	4.03
Medical Expenses	7.70	6.21
Sitting fees	1.40	3.55

Shri S.S. Rawat CMD (Addl. Charge) is not employed in the company and no salary/allowances have been paid to them during the FY 2019-20.

Note No. 2.34

Quantitative details for the stock of construction material are given below:

Particulars	As at 31 March 2020		As at 31 March 2019	
	Quantity (MT)	Value (₹ in lakhs)	Quantity (MT)	Value (₹ in lakhs)
CEMENT	-	-	8.53	0.41
STEEL	253.20	102.17	21.69	18.36
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.

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*	3,286.97	27.10	-	-	3,314.07
Employee Benefits	3,408.05	665.53	731.43	-	3,342.15
Pay Revision (3rd PRC)	735.80	-	42.72	-	693.08
Total	7,430.82	692.63	773.75	-	7,349.30
Previous Year	7,664.37	1,569.78	1,803.32	-	7,430.82

* 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 2020.

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 required to be spent by the Company for CSR and Sustainability during the year is ₹ 1.33 Lakhs (being amount carried forward from budgets of previous year). During the year Nil amount incurred on CSR and Sustainability activities.

Note No. 2.39

Basic and diluted earnings per share are computed by dividing net profit after tax ₹ 92.03 Lakhs (previous year net loss after tax ₹ 3,303.25 Lakhs) by 3,54,22,688 fully paid up equity share of ₹ 10 each.

	FY 2019-20	FY 2018-19
Basic and diluted earnings per share (₹)	0.26	(9.33)



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 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 ₹ 1733 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 Rs. 2,368.96 Lakhs as on 31.03.2020. 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 Rs 443.77 Lakhs is made upto 31.03.2020. During the year 2019-20, meetings with senior management of UCIL have been done and it is decided that a committee of EPIL and UCIL may be formed for further resorting the issues. The outcome of the same may come in this current FY i.e. 2020-21.
- 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 Rs. 4,306.22 Lakhs as on 31.03.2020, 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 Rs. 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 Rs. 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 ₹1,242.38 Lakhs (₹ 1,560.61 Lakhs in previous year) has been allocated to Oman during the FY 2019-20 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 ₹ 193.04 Lakhs (₹ 205.30 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 ₹ 8.24 Lakhs (Previous year ₹ 4.92 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 ₹ 9.55 Lakhs (Previous year ₹ 4.45 Lakhs)
- ii) Payable later than 1 year and not later than 5 years ₹ 13.14 Lakhs (Previous year ₹ 7.79 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 31 st March	
			2020	2019
1.	EPI-C&C JV	C&C Construction Limited, India. Engineering Projects (India) Limited, India.	60% 40%	60% 40%

Note No. 2.50

To meet the working capital requirement, management pledged Client's dedicated deposit work funds with Banks to obtain Overdraft Limit of Rs. 1820 lakhs against FDR pledged of Rs. 2050 Lakhs. As on 31st March 2020, Rs. 22755/- remains outstanding.

Note No. 2.51

Dividends payable to the shareholders are recognized in the period in which they are approved by the shareholders.

Note No. 2.52

The previous year figures have been reclassified, regrouped and recast to conform to current year's classification/ grouping.



Note No. 2.53

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.

The Company has assessed the impact of COVID-19 on its financial statements based on the internal and external information upto the date of approval of these financial statements and expects to recover the carrying amounts of its trade receivable, project work-in-progress and inventories. At this point of time, we do not anticipate any material impact on the business, as the full consequences of the pandemic are yet unknown. We will attempt to take all steps in its control to monitor the situation and mitigate any potential impact on its business on this account. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

**As per our report of even date attached
For KPMC & Associates
Chartered Accountants
Firm Registration No.005359C**

**Sd/-
(CA Pankaj Kumar)
Partner
Membership No. 073291
Dated: 20th November 2020
Place: New Delhi**

For and on behalf of the Board of Directors

**Sd/-
(PM CHANDRAIAH)
Director (Finance)
DIN 06970910**

**Sd/-
(Naresh Kumar Sharma)
ED (Finance) & CFO**

**Sd/-
(DHIRENDRA SINGH RANA)
Chairman & Managing Director
DIN 07022825**

**Sd/-
(Nitesh Kumar Goyal)
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 (1.04.2019-31.03.2020)
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	2,13,131
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.



Part B Associates and Joint 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 #	31.03.2020
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)	-53,31,703
7. Profit or Loss for the year	
i. Considered in Consolidation	-21,32,681
ii. Not Considered in Consolidation	-39,99,022

Unaudited financial statements are considered for consolidation.

As per our report of even date attached
For KPMC & Associates
Chartered Accountants
Firm Registration No.005359C

Sd/-
(CA Pankaj Kumar)
Partner
Membership No. 073291
Dated: 20th November 2020
Place: New Delhi

For and on behalf of the Board of Directors

Sd/-
(PM CHANDRAIAH)
Director (Finance)
DIN 06970910

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

Sd/-
(Naresh Kumar Sharma)
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 2020

The preparation of financial statements of .Engineering Projects (India) Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Revised Audit Report dated 21.12.2020 which supersedes their earlier Audit Report dated 20.11.2020.

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 2020 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 auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revision(s) made in the statutory auditor's report, to give effect to five of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

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

**Sd/-
(Rina Akoijam)
Principal Director of Audit
(Industry and Corporate Affairs)
New Delhi.**

Place: New Delhi

Date: 28.12.2020



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 2020

The preparation of consolidated financial statements of Engineering Projects (India) Limited for the year ended 31 March 2020 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) 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 21 December 2020 which supersedes their earlier Audit Report dated 20 November 2020.

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 2020 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 but did not conduct supplementary audit of the financial statements of EPI Infra Developers Limited¹ (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. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditor nor conducted the supplementary audit of the Company. 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.

In view of the revision(s) made in the statutory auditor's report, to give effect to four of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) read with section 129(4) of the Act.

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

**Sd/-
(Rina Akoijam)
Principal Director of Audit
(Industry and Corporate Affairs)
New Delhi.**

Place: New Delhi

Dated: 28 December 2020

¹ Annual Accounts of the subsidiary have not been submitted for supplementary audit.



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INFRASTRUCTURE DEVELOPMENT



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
Tel. : +91-11-24361666, Fax : +91-11-24363426
E-mail: epico@epi.gov.in Website www.epi.gov.in