

49<sup>th</sup>

Annual Report  
वार्षिक प्रतिवेदन

2018 - 2019



इंजीनियरिंग प्रोजेक्ट्स (इंडिया) लि.

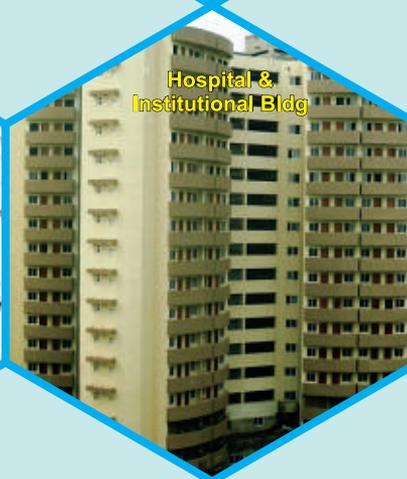
(भारत सरकार का उद्यम)

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.



## 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

50, Chowringhee Road,  
(8<sup>th</sup> & 9<sup>th</sup> floors), Kolkata - 700 071.  
Phone: 91-33- 22824426-27-29  
Fax: 91-33- 22824428  
E-mail: ero@engineeringprojects.com

#### Western Regional Office-Mumbai

“Bakhtawar”, 6A, 6<sup>th</sup> 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, 2<sup>nd</sup> 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

4<sup>th</sup> Floor, Hindustan Tower.  
Block-A, Jawahar Nagar, National  
Highway No.37, Beltala  
Guwahati -781022 (Assam)  
Phone : 91-8486653300  
E-mail : neroguwahati@rediffmail.com  
& neroguwahati@gmail.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: vk.pandey@engineeringprojects.com  
Phone:+96899430701

### SRI LANKA PROJECT

Pipes/V/10  
49/38 C, Off Temple Road  
Kurumankadu,  
Vavuniya, Northern Province  
Sri Lanka, Zip Code : 43000  
Phone: +94-24-2227423

### MYANMAR OFFICE

#1003, 10<sup>th</sup> Floor, 50<sup>th</sup> Street  
Condominium Lower Block,  
Botahtaung Tsp, Yangon, Myanmar

### AUDITORS:

**Statutory Auditor**  
**M/s KPMC & Associates,**  
Chartered Accountants  
709,7<sup>th</sup> floor, New Delhi house,  
Barakhamba Road, CP, New Delhi

### BRANCH AUDITORS

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

**M/s. M Raghunath & Co.**  
Chartered Accountants  
Ashoka Chambers, First Floor,  
6, Garstin Place, Kolkata-70001,

**M/s. ASL & Co.**  
Chartered Accountants  
302, Eco Space, Off Old Nagardas Road,  
Mogra Village, Andheri (East),  
Mumbai-400069

**M/s. Aiyar & Co.**  
Chartered Accountants  
607, Akash Deep, 26-A, Barakhambha  
Road, New Delhi-110001

### FOREIGN BRANCH AUDITORS

**Branch Auditors Sri Lanka**  
**M/s Ranaweera Associates**  
Chartered Accountants  
58/10B, 4<sup>th</sup> 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. Vishal Agarwal & Associates**  
39/2068, Naiwala,  
315, Dakha Chambers, Karol Bagh,  
New Delhi-110005

### MAIN BANKERS

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



## BOARD OF DIRECTORS



**Shri D. S. Rana**  
Chairman & Managing Director  
[w.e.f.19.09.2019]



**Shri S. S. Rawat**  
Chairman & Managing Director (A/C)  
and Director (Projects) (A/C)  
[up to 18.09.2019]



**Shri H. N. Thakur**  
Director (Projects)  
[w.e.f.21.10.2019]



**Shri Lekh Raj**  
Director (Finance)  
(up to 13.09.2019)



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



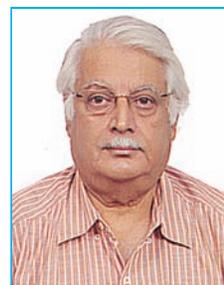
**Smt Neelam S. Kumar**  
Part Time Official Director  
[w.e.f. 23.08.2018]



**Shri Vishvajit Sahay**  
Part Time Official Director  
(up to 15.11.2018)



**Dr. Anita Chaudhary**  
Independent Director



**Shri Sushant Baliga**  
Independent Director



## FINANCIAL STATUS FOR LAST FIVE YEARS

(Rs. in Lakhs)

| Particulars/Years                                    | 2014-15    | 2015-16    | 2016-17    | 2017-18    | 2018-19    |
|--|------------|------------|------------|------------|------------|
| <b>A. Operating Statistics</b>                       |            |            |            |            |            |
| <b>Turnover (Operating Income)</b>                   | 103,128.21 | 129,546.44 | 162,145.42 | 160,740.99 | 179,104.87 |
| Other Income   | 2,789.27   | 2,772.96   | 3,397.72   | 1,526.79   | 517.51     |
| <b>Total Income (a)</b>                              | 105,917.48 | 132,319.40 | 165,543.14 | 162,267.78 | 179,622.38 |
| <b>Total Expenditure (b)</b>                         | 100,991.01 | 127,805.15 | 164,373.57 | 161,456.08 | 181,893.83 |
| <b>Gross Margin (a-b)</b>                            | 4,926.47   | 4,514.25   | 1,169.57   | 811.70     | (2,271.45) |
| Interest   | 706.15     | 580.93     | 614.25     | 485.70     | 501.48     |
| Depreciation   | 99.62      | 114.15     | 143.58     | 154.68     | 189.64     |
| <b>Profit Before Tax (PBT)</b>                       | 4,120.70   | 3,819.17   | 411.73     | 171.32     | (2,962.56) |
| Income Tax   | 1,412.08   | 1,364.55   | 142.28     | 157.78     | 339.94     |
| <b>Profit After Tax (PAT)</b>                        | 2,708.62   | 2,454.63   | 269.45     | 13.54      | (3,302.50) |
| Transitional Depreciation Impact on Opening Reserves | 4.37       | -          | -          | -          | -          |
| Dividend Paid  | 708.45     | 1,081.55   | -          | -          | -          |
| Dividend Distribution Tax Paid                       | 144.22     | 220.18     | -          | -          | -          |
| Balance Carried Forward to Reserves & Surplus        | 1,851.58   | 1,152.90   | 269.45     | 13.54      | (3,302.50) |
| No. of Employees                                     | 436        | 400        | 372        | 363        | 327        |
| No. of Equity Shares of Rs.10/- each                 | 35422688   | 35422688   | 35422688   | 35422688   | 35422688   |
| <b>B. Financial Position</b>                         |            |            |            |            |            |
| Share Capital  | 3,542.27   | 3,542.27   | 3,542.27   | 3,542.27   | 3,542.27   |
| Reserve and Surplus (Free Reserves)                  | 18,088.67  | 19,241.57  | 19,511.03  | 19,524.56  | 16,222.06  |
| CSR Reserve  | -          | -          | -          | -          | -          |
| <b>Net Worth (Shareholders' Funds)</b>               | 21,630.94  | 22,783.84  | 23,053.30  | 23,066.83  | 19,764.33  |
| <b>Capital Employed</b>                              | 21,630.94  | 22,783.84  | 23,053.30  | 23,066.83  | 19,764.33  |
| <b>C. Financial Ratios</b>                           |            |            |            |            |            |
| Turnover per Employee (Rs. In lakhs)                 | 236.53     | 323.87     | 435.87     | 442.81     | 547.72     |
| Gross Margin / Turnover (%)                          | 4.78       | 3.48       | 0.72       | 0.50       | (1.27)     |
| Profit Before Tax (PBT)/ Turnover (%)                | 4.00       | 2.95       | 0.25       | 0.11       | (1.65)     |
| Profit Before Tax (PBT)/ Net Worth (%)               | 19.05      | 16.76      | 1.79       | 0.74       | (14.99)    |
| Profit After Tax (PAT)/ Net Worth (%)                | 12.52      | 10.77      | 1.17       | 0.06       | (16.71)    |
| Dividend paid / Profit before tax (%)                | 17.19      | 28.32      | -          | -          | -          |
| Dividend paid / Profit after tax (%)                 | 26.16      | 44.06      | -          | -          | -          |
| Basic and Diluted EPS ( in Rs )                      | 7.65       | 6.93       | 0.76       | 0.04       | (9.32)     |
| NAV Per Share having Face Value of Rs.10/-           | 61.07      | 64.32      | 65.08      | 65.12      | 55.79      |



## CHAIRMAN'S MESSAGE

### Dear Shareholders'

It gives me immense pleasure to welcome you all to this 49<sup>th</sup> Annual General Meeting of your Company. The 49<sup>th</sup> Annual Report for the year 2018-19 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 sector that includes power, bridges, dams, roads and urban infrastructure development is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country.

India has a requirement of investment worth Rs 50 trillion (US\$ 777.73 billion) in infrastructure by 2022 to have sustainable development in the country. India is witnessing significant interest from international investors in the infrastructure space.

### Business Opportunities

Infrastructure sector has become the biggest focus area of the Government of India. It can be predicted that India will witness a sustained growth in infrastructure build up. Further to boost the construction of buildings in the country, the Government of India has decided to come up with a single window clearance facility to accord speedy approval of construction projects in the upcoming years. Your Company is gearing up to tap these opportunities.

### Marketing Initiatives

EPI has the distinction of having executed a large number of medium and large size Civil and Infrastructural projects, Integrated Modern Townships with all the attendant infrastructure, prestigious public and Multi-storeyed Buildings, etc. EPI activities cover almost all types of Industries. EPI has collaborated with various world renowned organizations for executing projects in specific areas.

### Performance Highlights

During the year 2018-19, your company has achieved a operating turnover of Rs. 1,791 Crore as against the turnover of Rs. 1,607 Crore achieved during the previous year. The total income of the Company for the year 2018-19 is Rs. 1,796 Crore.



During 2018-19, your Company has secured projects worth Rs. 338.38 Crores. 'Industrial, Process Plant, Material Handling, Electrical and Border Management Projects' segment are the highest contributors (67.24%), to the total turnover of the Company followed by Housing & Building Works including Hospital Projects whose percentage share is 30.64%.

### **Subsidiary Company**

A Subsidiary Company of EPI which was incorporated on 19<sup>th</sup> May 2016 as "EPI Urban Infra Developers Limited" (EPIUIDL) is non-operational since its incorporation. A petition under Section 361 of the Companies Act, 2013 for summary winding up EPIUIDL has already been submitted.

### **Performance under MOU**

The performance of the Company has been rated "Fair" by the Department of Public Enterprises (DPE) in terms of MOU signed by the Company with the Government for the year 2017-18.

### **Dividend**

Your Directors have not recommended any dividend for the Financial Year 2018-19 due to inadequacy of profits and cash.

### **Human Resource**

To keep pace with the new emerging trends in the field of project execution, your Company always focuses on development of its human resources and trains them in the emerging fields. Various in house and outside training programs, seminars and workshops were conducted to enhance technical, communication and personal skills of employees at various levels.

### **Corporate Governance**

As the Company philosophy on Corporate Governance is "Enhancing stakeholder value", your Company conduct its business in a manner, which is ethical and transparent with all stakeholders in the Company. The Company has various Manuals in place for ensuring transparency. The Company has been consistently complying with the requirements of Guidelines on Corporate Governance issued by Department of Public Enterprise (DPE).

### **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, NIL budget have been allocated therefore, no activities were undertaken.



## 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 towards 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: 24<sup>th</sup> October 2019



## Engineering Projects (India) Limited

CIN : U27109DL1970GOI117585

Registered Office : Core 3, SCOPE Complex, 7 Lodhi Road, New Delhi-110003

Phone no. 91-11-24361666, Email : epico@engineeringprojects.com

Website : www.engineeringprojects.com

### NOTICE

Notice is hereby given that the 49<sup>th</sup> Annual General Meeting of the members of Engineering Projects (India) (EPI) Limited will be held at the Registered and Corporate Office of the Company at Core-3, SCOPE Complex, 4<sup>th</sup> Floor, 7, Lodhi Road, New Delhi-110003 on 24<sup>th</sup> October 2019 at 3.00 p.m. 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 31<sup>st</sup> March 2019 together with Reports of the Board of Directors and Auditors thereon, and to pass the following resolution, with or without modification (s) :

“**RESOLVED THAT** financial statements (including consolidated and Standalone) for the year ended 31<sup>st</sup> March 2019 comprising Balance Sheet as at 31<sup>st</sup> March 2019, the Statement of Profit and Loss Account for the year ended 31<sup>st</sup> March 2019 along with Notes and Annexures, and the Auditors’ Report thereon, and the Directors’ Report along with its annexures including Management Discussion and Analysis Report, Report on Corporate Governance, and 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 2018-19. Board of Directors in its meeting held on 26<sup>th</sup> September 2018 had proposed NIL dividend for the financial year 2018-19 in view of inadequacy of profits.

#### Special Business

3. To ratify the remuneration of the Cost Auditor for the financial year 2019-20 as approved by the Board of Directors in its 268<sup>th</sup> meeting held on 16<sup>th</sup> July 2019 (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 2019-20 be and is hereby ratified and confirmed.”

**BY ORDER OF THE BOARD OF DIRECTORS**

**Sd/-**  
**(Deepika Mehta)**  
**Company Secretary**  
**E-mail id: csd@engineeringprojects.com**

**Date: 30.09.2019**

**Place: New Delhi**

#### **NOTES:**

- 1.** 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. Proxies to be valid and effective must be deposited at the registered office of the company duly filled, stamped and signed not later than 48 hours before the commencement of the meeting, Blank Proxy form is enclosed.
- 2.** Corporate members are requested to send a duly certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the meeting.
- 3.** 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.
- 4.** As per the provisions of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or member (Section 105 of the Companies Act, 2013).A proxy form which does not state the name of the proxy or undated shall not be considered valid.(Secretarial Standard on General Meetings (SS-2)).
- 5.** Nomination Form in duplicate is attached herewith. It is requested that all the members companies return the same duly filled, signed and stamped (Section 113 of the Companies Act, 2013).



6. 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 29<sup>th</sup> 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 267<sup>th</sup> meeting held on 19<sup>th</sup> March 2019 had fixed a fees of Rs. 10.10 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 2018-19.
7. Pursuant to the Circular No 17/2011 dated 21<sup>st</sup> April, 2011 and Circular No 18/2011 dated 29<sup>th</sup> April, 2011 on green initiative issued by the Ministry of Corporate Affairs, members holding shares in physical form are requested to register their e-mail address with the Company or Registrars & Share Transfer Agent (RTA). Any changes therein may also be informed from time to time, to enable the Company to serve notice / documents through e-mail.
8. Route Map indicating venue of the AGM is given at the end of the Notice.
9. None of the Directors of the Company is in any way related with each other.
10. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days (barring Saturday and Sunday) between 11.00 a.m. to 1.00 p.m. prior to the Annual General Meeting.

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

### **Item No. 3: Ratification of remuneration of Cost Auditor**

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 2019-2020 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.

**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

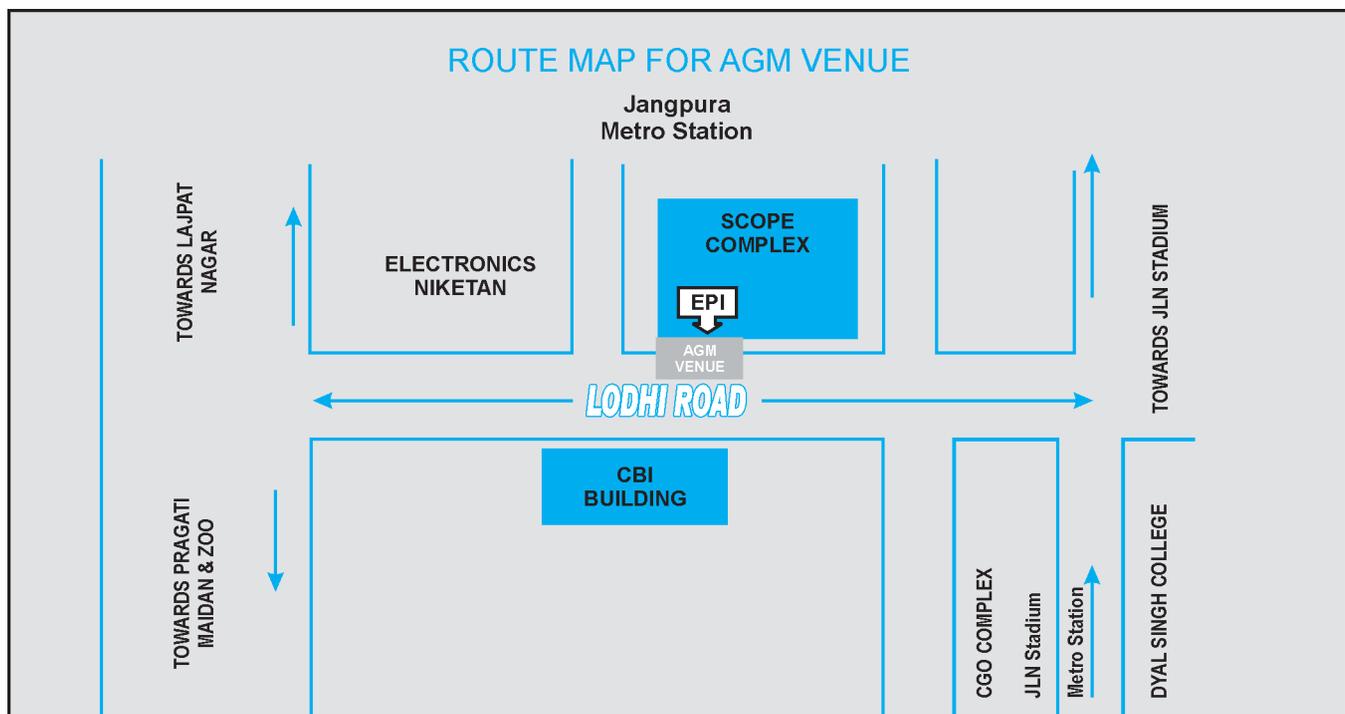
**BY ORDER OF THE BOARD OF DIRECTORS**

**Sd/-  
(Deepika Mehta)  
Company Secretary**

**E-mail id: [csd@engineeringprojects.com](mailto:csd@engineeringprojects.com)**

**Date: 30.09.2019**

**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 49<sup>th</sup> Annual General Meeting (and any other adjourned meeting thereof) of the Shareholders of EPI to be held on Thursday, 24<sup>th</sup> October 2019 at 03:00PM at Core-3, SCOPE Complex, 4<sup>th</sup> Floor, 7, Lodhi Road, New Delhi-110003.

**Thanking you,**

**Yours' faithfully,**

**Signature  
Designation  
Stamp and Seal**

**Place:**

**Date:**



## FORM NO. MGT-11 PROXY FORM

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

CIN:

Name of the company:

Registered Office:

Name of the member (s):

Registered address:

E-mail Id:

Folio No./Client ID :

DP ID:

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

1. Name:.....  
Address:  
E-mail Id:  
Signature: ....., or failing him
2. Name:.....  
Address:  
E-mail Id:  
Signature: ....., or failing him
3. Name:.....  
Address:  
E-mail Id:  
Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the ..... Annual general meeting/Extraordinary general meeting of the company, to be held on the ..... day of ..... At .....a.m. /p.m. at ..... (place) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- 1.....
- 2.....
- 3.....

Affix  
Revenue  
Stamp

Signed this ..... day of ..... 20.....

Signature of shareholder

Signature of Proxy holder(s)

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**



## ATTENDANCE SLIP

**49<sup>th</sup> Annual General Meeting, Thursday, 24<sup>th</sup> October 2019 at 03:00PM**

Regd. Folio No. \_\_\_\_\_/DP ID \_\_\_\_\_ Client ID/Ben. A/C \_\_\_\_\_ No. of shares held \_\_\_\_\_

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company and hereby record my presence at the 49<sup>th</sup> Annual General Meeting of the Company on Thursday, 24<sup>th</sup> October 2019 at 03:00PM at Core-3, SCOPE Complex, 4<sup>th</sup> Floor, 7 Lodhi Road, New Delhi-110003.

\_\_\_\_\_  
\_\_\_\_\_

**Member's/Proxy's name in Block Letters**

**Member's/Proxy's Signature**

**Note: Please fill this attendance slip and hand it over at the entrance of the hall.**



# DIRECTORS' REPORT

## Dear Members'

Your Directors have the pleasure in presenting the 49<sup>th</sup> Annual Report on the performance of the Company during the financial year 2018-19.

### 1. FINANCIAL HIGHLIGHTS

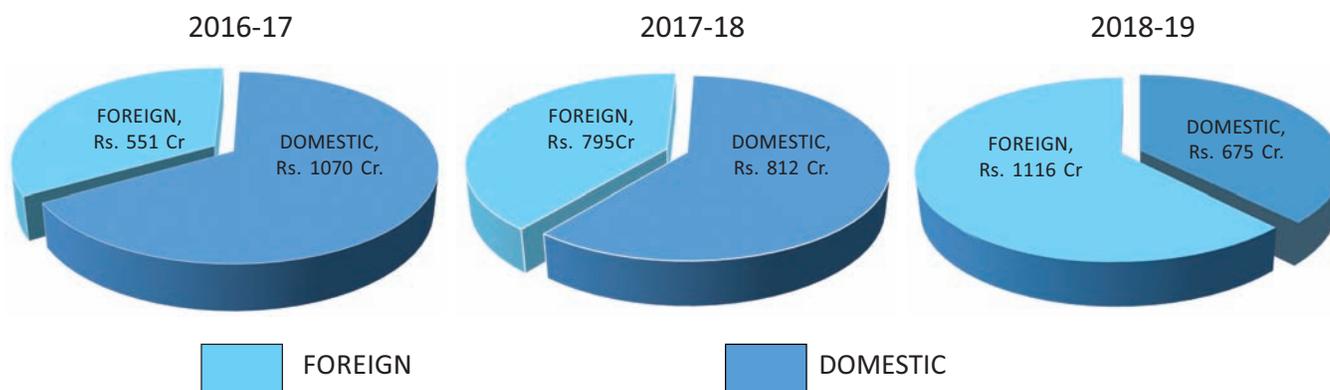
During the year 2018-19, the Company achieved an operating turnover of Rs. 179105 Lakhs as against turnover of Rs. 1,60,741 Lakhs achieved during the previous year which is 11.42% increase over the previous year. Profit Before Tax (PBT) earned during this period stood at Rs. (2963) Lakhs in comparison to Rs 171 Lakhs earned during the year 2017-18.

The financial highlights of your Company (standalone) during the year 2018-19 along with the corresponding previous year figures are as under-

(Rs. in Lakhs)

| Sl. No. | Description        | 2018-19  | 2017-18  |
|---------|--------------------|----------|----------|
| 1.      | Operating Turnover | 1,79,105 | 1,60,741 |
| 2.      | Other Income       | 517      | 1,527    |
| 3.      | Total Income       | 1,79,622 | 1,62,268 |
| 4.      | Gross Margin       | (2271)   | 812      |
| 5.      | Interest Paid      | 502      | 486      |
| 6.      | Depreciation       | 190      | 155      |
| 7.      | Profit Before Tax  | (2,963)  | 171      |
| 8.      | Taxes              | 340      | 157      |
| 9.      | Profit After Tax   | (3,303)  | 14       |
| 10.     | Net Worth          | 19,764   | 23,067   |

### Turnover - Domestic & Foreign



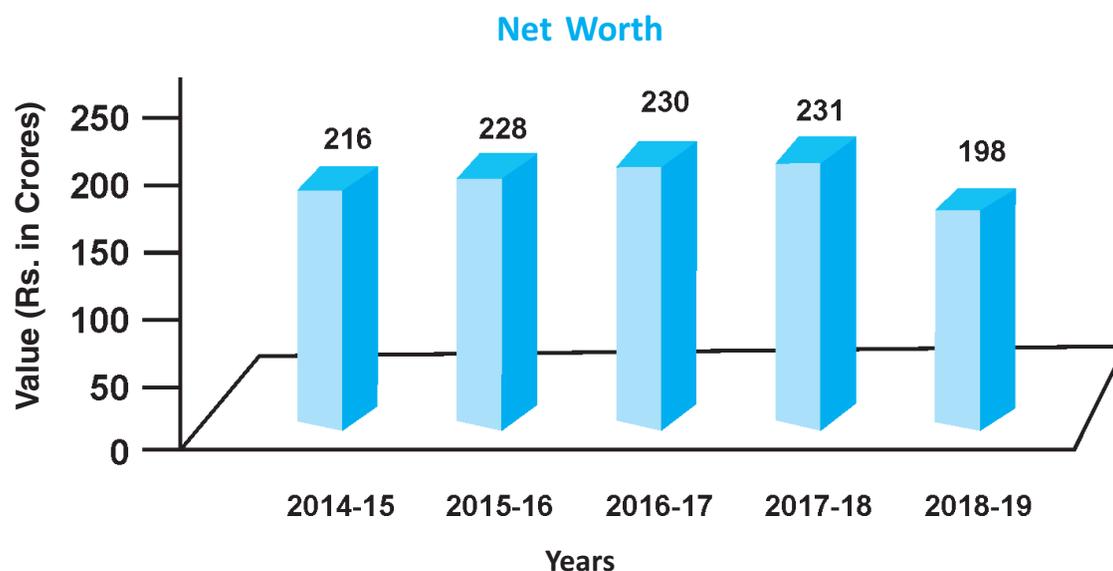


The Net Worth of the Company decreased from Rs. 23,067 Lakhs to Rs. 19,764 Lakhs which is a decrease of 14.32% over the previous year. The return on capital employed in 2018-19 is (12.45)% as against 2.85% in 2017-18.

The decision of Cabinet Committee on Economic Affairs (“CCEA”) dated 17<sup>th</sup> February 2016, in respect of Strategic Disinvestment process through merger with similarly placed CPSE, got further modified by CCEA in its Meeting held on 13<sup>th</sup> February 2019 to allow all eligible CPSEs and Private Sector entities to participate in bidding process of disinvestment and the process is going on.

## 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 have not recommended any dividend (final /interim) for the financial year 2018-2019 due to inadequacy of profits and cash.

Accordingly, the balance amount in the Reserves & Surplus account as on 31<sup>st</sup> March 2019 stands at Rs. 16,222 Lakhs.

## 4. MARKETING ACHIEVEMENTS

During the financial year 2018-19, Company has secured projects worth Rs.338.38 crores. Some of the major projects secured are given below:

| Sl. No. | Name & Place of the Project   | Client  | Value (Rs. Crores) |
|---------|---|---|--------------------|
| 1.      | Construction (including Structural Design) of 2020 Dwelling units in 101 number of G+3 block at Kasidih, Adityapur & 60 | Jharkhand Urban Infrastructure Development Company Limited, Ranchi, Jharkhand | 133.48             |



|    |  |  |       |
|----|--|--|-------|
|    | Dwelling units in 3 number of G+3 block at Norodih, Saraikela under Pradhan Mantri Awas Yojana (Urban) Package B   |  |       |
| 2. | Construction of Post Metric 100 Seated Hostel for OBC Students in Khorda, Ganjam & Keonjhar District.  | ST & SC Development Department, Odisha.  | 51.00 |
| 3. | PMC for Development of 9 Nos. Stations under Station Re - Development Program for Indian Railway Stations Development Corporation Ltd. (IRSDC)           | Indian Railway Stations Development Corporation Limited                              | 48.32 |
| 4. | Construction of Proposed 1000 Sft. Apartments 2 Nos., 800 Sft. Apartments 2 Nos., Duplex House and Storm Water Drains at RGKUT, IIT Basar Campus, Basar. | Rajiv Gandhi University of Knowledge Technologies (RGUKT) Hyderabad, Andhra Pradesh. | 27.94 |
| 5. | Construction of 1.227 Km Fence & 4.545 Km Road along IBB in Panisagar & Gokul Nagar Sector in Tripura  | Ministry of Home Affairs, Border Management Division, North Block, New Delhi 110011  | 21.08 |

### Major Projects under implementation in India & abroad.

- Engineer-3 Project (Phase– II), Oman at a value of USD 487.235 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.
- Project Management Consultancy for Development of Campus of Central University of Jammu, Jammu at a value of Rs. 314.65 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 Intake Well, Water Treatment Plant, Distribution Pipe Lines, Overhead Tank & providing Household connections at Singrauli, MP at a value of Rs. 113.46 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.

### Projects Completed in India

The Company has completed following major projects during the year:

- Construction of Polytechnic Institute at Gumla, Jharkhand.
- Construction of Astro Turf football ground at Laitkor, Shillong.
- Construction of Training Shed for Assam Rifles at Laitkor, Shillong.
- Construction of Non Residential and Residential Accommodation at Zokhawsang for establishment of Battalion Headquarters of Assam Rifles.
- Construction of Phase – II Project work (Part – I) at Tripura University at Suryamaninagar, Agartala.
- Construction of Student Mess, Recreation Block and Girl's Hostel (Remolding + New) at NID Gandhinagar Campus and Ahmadabad Campus respectively.
- Construction of Kalinga Model Residential Schools at Kuchindadistt.,Sambalpur and at Champua, distt. Keonjhar, Odisha.
- Construction of Mega Urban Education Complex at Pallur hills, Kanisi, Berhampur, distt. Ganjam, Odisha.
- Construction of Ekalabya Model Residential School at Nuapadar, distt. Kandhamal, Odisha.
- Construction of Phase – I works Comprising Research Lab with R & D Office, Hostel Block, Guest House, type – III Residential Quarter, Security Lodge, Animal Farms, STP, including associated works for NIAB, at Hyderabad.
- Construction of ANNEX Building and improvement works in the existing Passenger Terminal for Cruise Passenger facilitation centre at Chennai Port Trust, Chennai.
- Construction of Super Speciality Hospital for Govt. Rajaji Medical College, Madurai under PMSSY Phase – II at Madurai, Tamil Nadu.
- UGD scheme to Bailhongal town of Belgaum district : Karnataka comprising of :



a) Providing, laying and jointing of Sewer Lines, construction of Manhole Chambers, Screen Chamber, Grit Chamber and Wet Well. (b) Construction of 8.28 MLD Capacity Sedimentation Basin (STP) and Allied Works.

- Construction of New Chemical Sciences Building at IISc Campus, Bangalore.

## 5. ORDER BOOK POSITION

At the end of the financial year 2018-19, the balance work in hand of (59 nos.) projects under execution is Rs.4078.70 Cr. (excluding a project valuing Rs.64.52 Cr., which is under hold/abeyance).

## 6. PERFORMANCE RATING UNDER MOU

The performance of the Company has been rated “Fair” by the Department of Public Enterprise (DPE) in terms of MoU signed by the Company with the Government for the year 2017-18.

## 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 AA-” to “ICRA A+”. The outlook on the long-term rating is stable. The Rating committee of ICRA has also reaffirmed the short term rating for Line of Credit at “ICRA A1+”.

## 9. VIGILANCE ACTIVITIES

Vigilance division ensures at its end that all functions 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 actions to prevent corrupt practice.

Periodic inspections of the projects are carried out well in advance & their reports are now being sent to the management, pointing out shortcomings (if any) in the procedures followed in “Award of Works”, Site works and supply etc.along with the suggestions for systematic improvements. A number of new initiatives have been taken to enhance the transparency in operation 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 provisions of RTI Act are being implemented in EPIL in the right earnest.

Further, “Vigilance Awareness Week - 2018” was observed in EPIL from 29.10.2018 to 03.11.2018 in its various offices as per the directions of CVC. On this occasion the following programmes such as an Essay Competition on “Up-gradation of life in New India after eradicating Corruption”, Poster Competition on “Face of Corruption in My Opinion”, Slogan Competition on “Evil’s of Corruption”, lecture on this year’s theme “Eradicate Corruption-Built a New India” was organized



at EPI's Corporate Office, New Delhi on 01.11.2018. This lecture was addressed by Smt. Archana Varma, IAS, Addl. Secretary, Central vigilance Commission. Programmes were organized for all EPI employees/consultants/contract employees.

During the year 2018-19, out of 26 cases, (2 at the beginning of the year and 24 received during the year) 24 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 31<sup>st</sup> March, 2019, Company had a strong work force of 327 employees, which included 41 women employees. Out of 327, 287 employees are technically and professionally qualified.

## **11. SC/ST PERSONNEL**

As on 31<sup>st</sup> March 2019, No. of ST persons are 11; out of which 10 are male and 1 is female employee and No. of SC persons are 52; out of which 49 are male and 3 are female employees.

## **12. PHYSICALLY CHALLENGED PERSON**

As on 31<sup>st</sup> March 2019, No. of physically challenged persons was 2 which constituted 0.61% of the total strength.

All Presidential Directives issued by central government from time to time with regard to reservation of SC/ST/OBC/PHC 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 16<sup>th</sup> 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 01<sup>st</sup> September to 14<sup>th</sup> September every year in which various competitions for employees and their families 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 we 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, 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.

Company 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 2018-19**

| <b>Name of Director/KMP</b>  | <b>Designation</b>   | <b>Tenure</b>                     |
|--|--|-----------------------------------|
| Shri. S.S. Rawat<br>Director (Project Management)<br>Bridge & Roof Co. (India) Limited | Additional charge of Chairman &<br>Managing Director & Director (Projects) | w.e.f.<br>15.09.2018 <sup>#</sup> |
| Smt. Deepika Mehta   | Company Secretary  | w.e.f.<br>01.10.2018              |

# DHI Vide Order No.12- 16/1/2017-TSW(Pt.file) dated 14.09.2018 has entrusted the Additional Charge of the Post of Chairman & Managing Director and Director (Projects) to Shri S.S. Rawat, Director (Project Management) B&R Vice Shri. N. Sivanand, Joint Secretary, DHI for a period of three(3) months with effect from 15.09.2018 which was extended for a further period of 06 months w.e.f. 15.12.2018, or till the appointment of regular incumbent to these posts or until further orders, whichever earlier.

### **Directors/Key Managerial Personnel (KMP) ceased/ resigned during the year 2018-19**

| <b>Name of Director/KMP</b>               | <b>Designation</b>  | <b>Tenure</b>                   |
|---|---|---------------------------------|
| Shri Vinoo Gopal                          | Director (Projects)   | Supperannuated<br>on 30.06.2018 |
| Shri. N. Sivanand<br>Joint Secretary, DHI | Additional charge of Chairman &<br>Managing Director &<br>Director (Projects) | 13.04.2017-<br>14.09.2018       |
| Smt. Sudha Venkata Varadhan               | Company Secretary   | Upto 01.10.2018                 |

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 31<sup>st</sup> March, 2019 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 2018-19, Six (6) meetings of the Board of Directors were held. Details of Board and Board Sub-Committee Meetings are given in Report on Corporate Governance annexed with this report at **Annexure B**.

## 22. SUBSIDIARY COMPANY/ ASSOCIATES/ JOINT VENTURES

### **Subsidiary Company:**

A subsidiary Company of EPI was incorporated on 19<sup>th</sup> 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 2018-19 were considered in Consolidation Accounts of EPIL.

## 23. CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to provisions of Section 129(3) of the Companies Act, 2013 and Accounting Standard- 21, the Company has prepared its Consolidated Financial Statements including that of Subsidiary Company i.e. EPIUIDL, which shall be placed at the ensuing Annual General Meeting (AGM) along with the Standalone Financial Statements of the Company for the year 2018-19.

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 2018-19 are as under-

| S.No                     | Name of the Firm                    | Region  |
|--------------------------|-------------------------------------|---|
| 1.                       | M/s. KPMC & Associates, New Delhi   | Statutory Auditors- Corporate Office & Consolidation  |
| <b>Branch Auditors :</b> |                                     |   |
| 1.                       | M/s. Aiyar & Co, New 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 Me Soe, Myanmar          | Myanmar Branch Auditors                               |

### b) Secretarial Auditor

The Company has appointed M/s. Vishal Agarwal & Associates as Secretarial Auditor for the Year 2018-19 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.

### 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 2018-19 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 2018-19 and reply to comments on accounts, is annexed to this report.

### SECRETARIAL AUDIT REPORT

The Secretarial Audit Report for the year 2018-19 is annexed to this report. There are no qualifications/reservations in the Secretarial Audit report. However, the factual information/ observations w.r.t. Disinvestment of EPI, Closure of Subsidiary Company i.e. EPIUIDL, ongoing CBI case including suspension cases, have been included in the report.



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

During the year 2018-19, 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, 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 sensor for increase in efficiency and full utilization of energy. EPI has installed Grid Connected Roof Top Solar Plant of 10KW at its own premises.

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, increasing losses and resulting in the 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.
- 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 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 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)**

Software applications are implemented for various functions such as Salary, Accounting, Bank guarantee system, Biometric Attendance System, Complaint Monitoring System, Online Recruitment system and PF Trust Management system is under final stage of implementation.

The ERP – SAP for the modules HR & Payroll, Financial Management and Document Management had gone live and configuration of GST in SAP has also been completed. The company replaced all the computers/peripherals as per IPV6 guidelines; has video conferencing system with connectivity provided to all Regional Offices and has implemented successfully MPLS (WAN) at CO & ROs.

## **27.03 Foreign exchange earnings and outgo**

During the year 2018-19, the Company earned a foreign exchange of Rs. 111760 Lakhs against Rs. 79699 Lakhs in the Financial year 2017-18. The expenditure incurred in Foreign Exchange is Rs. 107540 Lakhs in 2018-19 against Rs. 74645 Lakhs in 2017-18.

## **28. QUALITY, HEALTH AND SAFETY MANAGEMENT**

Engineering Projects (India) Ltd. is one of the first few Indian contracting companies which have been certified to latest ISO standards i.e. ISO 9001:2015 for Quality Management System (QMS) and ISO 14001:2015 for Environment Management System (EMS) thus covering Quality and Environmental Management Systems (QEMS). The scope of certification includes Design, Procurement and Implementation of Multi- disciplinary Infrastructure, Industrial and other Construction Projects from Concept to Commissioning in India and overseas.

Company has been certified for Occupational Health & Safety Assessment Series (OHSAS) 18001:2007 i.e. Occupational Health & Safety Management System (OHSMS) which is applicable to EPI's Corporate Office.



## 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 05<sup>th</sup> 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 2018-19, 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 Companies (Management and Administration) Rules, 2014, an extract of Annual Return is annexed at **Annexure E** to this report. Vide Companies (Amendment) Act, 2017 read with MCA notification dated 31<sup>st</sup> July 2018, this requirement has been dispensed with.



### **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/-**

**(S.S.Rawat)**

**Chairman & Managing Director (A/C)**

**DIN: 07555572**

**Place: New Delhi**

**Date: 16<sup>th</sup> July 2019**



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure and Development

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development. In 2018, India ranked 44<sup>th</sup> out of 167 countries in World Bank's Logistics Performance Index (LPI) 2018.

#### Market Size :

Foreign Direct Investment (FDI) received in Construction Development sector (townships, housing, built up infrastructure and construction development projects) from April 2000 to December 2018 stood at US\$ 24.91 billion, according to the Department of Industrial Policy and Promotion (DIPP). The logistics sector in India is growing at a CAGR of 10.5 per cent annually and is expected to reach US\$ 215 billion in 2020.

#### Investments :

India has a requirement of investment worth Rs 50 trillion (US\$ 777.73 billion) in infrastructure by 2022 to have sustainable development in the country. India is witnessing significant interest from international investors in the infrastructure space. Some key investments in the sector are listed below.

- In 2018, infrastructure sector in India witnessed private equity and venture capital investments worth US\$ 1.97 billion.
- In June 2018, the Asian Infrastructure Investment Bank (AIIB) has announced US\$ 200 million investment into the National Investment & Infrastructure Fund (NIIF).

### Government Initiatives

- The Government of India is taking every possible initiative to boost the infrastructure sector, mainly highways, renewable energy and urban transport. The Government of India has given a massive push to the infrastructure sector by allocating Rs 4.56 lakh crore (US\$ 63.20 billion) for the sector.
- The Indian Railways received allocation under Union Budget 2019-20 at Rs 66.77 billion (US\$ 9.25 billion). Out of this allocation, Rs 64.587 billion (US\$ 8.95 billion) is capital expenditure; Rs 83,015.97 crore (US\$11.51 billion) has been allocated towards road transport and highway whereas Rs 3,899.9 crore (US\$ 540.53 billion) to increase capacity of Green Energy Corridor Project along with wind and solar power projects; Allocation of Rs 888.00 crore (US\$ 110.88 million) for the upgradation of state government medical colleges (PG seats) at the district hospitals and Rs 1,361.00 crore (US\$ 188.63 million) for government medical colleges (UG seats) and government health institutions.
- The real estate sector is projected to drive economic growth doubling its GDP contribution to almost 13% by 2025. Within the real estate sector, the housing sector alone contributes 5-6% to India's GDP. About 10% of India's workforce is directly or indirectly created by the construction industry and number of jobs added is expected to reach 172 lakh by 2025



- The Government Initiatives to boost affordable housing in India has also taken spur growth over past 3-4 years. India's real estate sector is globalizing on par with the developed countries. With the bestowal of infrastructure status, the sector has not only become an attractive investment opportunity but is also spearheading India's dynamic growth with greater FDI inflows.
- Affordable housing has clearly been the government's central agenda and the growth within the industry reflects huge additional need for manpower and talent. Affordable housing remains a compelling story for India with rapid urbanisation, growing aspirations and the emergence of India's new growth engines in tier 2/3 towns and cities with fast growing economic potential. The finance of affordable housing is estimated to be a 6 lakh crore business opportunity by the year of 2022.

Thus it can be predicted that India will witness a sustained growth in infrastructure build up since this infrastructure sector has become the biggest focus area of the Government of India. In order to boost the construction of buildings in the country, the Government of India has decided to come up with a single window clearance facility to accord speedy approval of construction projects in the upcoming years.

## SWOT Analysis

### Strengths

1. Proven Competency in Civil Engineering Project Management.
2. Capability for taking up multi-disciplinary Projects.
3. Can offer wide range of services in almost all areas of Engineering & Construction.
4. Pan- India Presence.
5. High Employee Productivity.

### Weaknesses

1. Lack of a structured regulatory and policy framework, or well-defined operating and financing regulations.
2. No Manufacturing capability of its own.
3. IT skills across the organization need enhancement.
4. No experience of execution of projects on BOT/DBFOT/ other modes.
5. Operate in a high competitive market.

### Opportunities

1. Opportunities for Greenfield projects across all infrastructure sub-sectors.
2. Strong population growth and a growing economy is fuelling demand for infrastructure.
3. FDI norms have been eased for the infrastructure sector.
4. Opportunities for technology tie ups with Indian and Overseas Companies.
5. More flexibility among market players leading to newer means of project financing and execution like BOT/BOLT/BOOT.

### Threats

1. Natural abnormal casualties such as earth quake and floods are uncertain and can prevent the construction boom.
2. Land clearance issues cause major delays to infrastructure and construction projects.



3. Infrastructure market crowded with multiple players with deeper Pockets.
4. Move towards BOT projects not in line with conventional ways of EPI's working.
5. Presence of established EPC players in Power, Ports, Telecom etc.

## SEGMENT WISE AND PRODUCT WISE PERFORMANCE

Industrial, Process Plant, Material Handling, Electrical and Border Management Projects segment remained the highest contributor with 67.24% of share to the turnover of the Company during financial year 2018-19, followed by Housing & Building works including Hospital Projects segment though its percentage share has decreased as compared to last year from 36.53% to 30.64%. Also, there is decrease 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% and 0.99% respectively.

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

(Rs. in Crores)

| Sl.No | Segments of Projects  | 2016-17        |               | 2017-18        |               | 2018-19        |            |
|-------|---|----------------|---------------|----------------|---------------|----------------|------------|
|       |   | Turnover       | %             | Turnover       | %             | Turnover       | %          |
| 1     | Housing & Building Works including Hospital Projects                                    | 678.00         | 41.81         | 587.24         | 36.53         | 548.37         | 30.64      |
| 2     | Dams & Irrigation Projects  | 49.19          | 3.03          | 51.84          | 3.23          | 17.72          | 0.99       |
| 3     | Industrial, Process Plant, Material Handling, Electrical and Border Management Projects | 802.21         | 49.47         | 929.48         | 57.82         | 1203.43        | 67.24      |
| 4     | Water Supply & Environmental Schemes  | 68.60          | 4.23          | 37.01          | 2.30          | 17.85          | 1.00       |
| 5     | Transportation Structures   | 18.75          | 1.16          | -              | -             | 2.30           | 0.13       |
| 6     | Other Projects  | 4.70           | 0.29          | 1.84           | 0.12          | -              | -          |
|       | <b>Total</b>  | <b>1621.45</b> | <b>100.00</b> | <b>1607.41</b> | <b>100.00</b> | <b>1789.67</b> | <b>100</b> |

## OUTLOOK

EPI has the distinction of having executed a large number of medium and large size Civil and Infrastructural projects, Integrated Modern Townships with all the attendant infrastructure, prestigious public and Multi-storeyed Buildings, etc. EPI activities cover almost all types of Industries. EPI has collaborated with various world renowned organizations for executing projects in specific areas.

## 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 2018-19, the Company achieved operating turnover of Rs. 179105 Lakhs as against the previous year operating turnover of Rs. 160741 lakhs and incurred loss before Tax of Rs. 2963 Lakhs as against previous year's PBT of Rs. 171 Lakhs. The Gross Margin of the year was Rs. (2271) Lakhs as compared to Rs. 812 Lakhs in the previous year.

The net worth of the Company has decreased by Rs. 3303 Lakhs from Rs. 23067 Lakhs in the year 2017-18 to Rs. 19764 Lakhs in the year 2018-19.

Due to inadequacy of profits and availability of cash, no dividends for the year 2018-19 is recommended by the Board.

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

Company's focus is on securing projects in India as well as in foreign countries especially in Middle East, Africa and South Asia. In order to facilitate achieving the target, Company is aiming to acquire best of the talents with specialized skills at each level for execution of the on-going projects as well as new projects. During the year 2018-19, 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 2018-19, No In-house Training programme was conducted and 34 numbers of external Training Mandays were conducted.

## **ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, FOREIGN EXCHANGE CONSERVATION**

### **a) Environmental Protection & Conservation**

The Company is fully concerned 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. 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 are also being installed at Corporate Office/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 dues 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.

#### **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 31.03.2019, three positions were lying vacant i.e two positions of Functional Director viz. Chairman & Managing Director, Director (Projects) and one position of Independent Director. The additional charge of the position of Chairman and Managing Director and Director (Projects) is being held by Shri S.S. Rawat, Director (Project Management), Bridge and Roof Co. (India) Ltd. (B&R). Administrative Ministry is seized 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 2018-19 are given below:**

| Name of Directors   | Category   | Board Meeting Attended | Attendance at the last AGM held on 26.09.2018 (Adjourned on 29.09.2018) | No. of Directorships in Other Public Companies (excluding EPI) | Tenure  |
|---|--|------------------------|---|--|---|
| <b>(a) Chairman &amp; Managing Director (Additional Charge) &amp; Director (Projects) (Additional charge)</b> |  |                        |   |  |   |
| <b>Shri N. Sivanand,</b><br>Joint Secretary, DHI<br>DIN: 07852689   | Chairman & Managing Director (Additional charge) | 3/3                    | NA  | 3(TMTP, EPIUIDL, HPCL)*  | w.e.f. 15.06.2017<br>Till 14.09.2018<br>(Refer notes below) |



|   |  |     |                                  |   |   |
|---|--|-----|----------------------------------|---|---|
|   | Director (Projects)<br>(Additional charge)   | 2/2 |                                  |   | w.e.f.<br>01.07.2018<br>Till<br>14.09.2018<br>(Refer<br>notes<br>below) |
| <b>Shri.S.S.Rawat</b><br>Director (Project<br>Management) Bridge<br>& Roof Company<br>(India) Limited (B&R)<br>DIN: 07555572                  | Chairman & Managing<br>Director-(Additional<br>charge) & Director<br>(Projects)<br>(Additional Charge) | 3/3 | Yes*(except<br>Adjourned<br>AGM) | 1 Bridge<br>& Roof<br>Company<br>(India)<br>Limited | w.e.f.<br>15.09.2018<br>(Refer<br>notes<br>below)                       |
| <b>(b) Whole Time/Functional Directors</b>  |  |     |                                  |   |   |
| <b>Shri SPS Bakshi</b><br>DIN: 02548430   | Chairman-cum-<br>Managing Director   | NA  | NA                               | NA  | w.e.f.<br>05.02.2009<br>Till<br>30.09.2018<br>(Refer<br>notes<br>below) |
| <b>Shri Vinoo Gopal</b><br>DIN: 05173442  | Director (Projects)  | 1/1 | NA                               | 1 (EPIUIDL)*  | w.e.f<br>02.01.2012<br>Till<br>30.06.2018                               |
| <b>Shri Lekh Raj</b><br>DIN: 07794894 <sup>#</sup>  | Director (Finance)   | 6/6 | Yes                              | Nil   | w.e.f.<br>13.04.2017  |
| <b>(c) Govt. Nominees/Part-Time Official Directors</b>  |  |     |                                  |   |   |
| <b>Shri Vishvajit Sahay,</b><br>Joint Secretary,<br>Ministry of Heavy<br>Industries & Public<br>Enterprises<br>DIN: 06840620                  | Director   | 3/4 | No                               | 4 (H.M.T.L,<br>HMTMTL,<br>HECL,<br>H.M.T.(I) L)*    | w.e.f.<br>03.11.2016<br>Till<br>16.11.2018<br>(Refer<br>notes<br>below) |
| <b>Shri Siya Sharan</b><br>Chief Controller of<br>Accounts (CCA),<br>Ministry of Heavy<br>Industries & Public<br>Enterprises<br>DIN: 07401363 | Director   | 2/2 | NA                               | 2(HECL,<br>HMTMTL)*                                 | w.e.f.<br>11.01.2016<br>Till<br>07.08.2018<br>(Refer<br>notes<br>below) |



|   |          |     |                                      |   |   |
|---|----------|-----|--------------------------------------|---|---|
| <b>Smt. Neelam S. Kumar</b><br>Chief Controller of Accounts (CCA),<br>Ministry of Heavy Industries & Public Enterprises<br>DIN:08220197 | Director | 2/3 | Yes<br>*(except<br>Adjourned<br>AGM) | Nil   | w.e.f.<br>23.08.2018<br>(Refer<br>notes<br>below) |
| <b>Smt. Sukriti Likhi</b><br>Joint Secretary,<br>Ministry of Heavy Industries & Public Enterprises<br>DIN:01825997                      | Director | 2/2 | NA                                   | 3(TMTP,<br>CCI, NEPA Ltd.)                                  | w.e.f.<br>16.11.2018<br>(Refer<br>notes<br>below) |
| <b>(d) Independent Director/Part Time (Non-Official) Director</b>   |          |     |                                      |   |   |
| <b>Shri Sushant Baliga</b><br>Faculty of Mgt. Sciences, University of Delhi<br>DIN: 06462815  | Director | 6/6 | Yes                                  | 1 (EPIUIDL)*<br>(resigned<br>from EPIUIDL<br>on 31.05.2019) | w.e.f.<br>18.11.2015<br>(Refer<br>notes<br>below) |
| <b>Dr. Anita Chaudhary</b><br>IAS, Retired Secretary of Department of Land Resources, Govt. of India<br>DIN: 07328842                   | Director | 5/6 | No                                   | 1 (NPCIL)*  | w.e.f.<br>01.12.2015<br>(Refer<br>notes<br>below) |

\*Abbreviations used:

|                |   |                |                                       |
|----------------|---|----------------|---------------------------------------|
| <b>TMTP</b>    | - Tumakuru Machine Tool Park              | <b>EPIUIDL</b> | - EPI Urban Infra Developers Limited  |
| <b>HPCL</b>    | - Hindustan Paper Corporation Limited     | <b>CCI</b>     | - Cement Corporation of India Limited |
| <b>H.M.T.L</b> | - H.M.T.Limited                           | <b>HMTMTL</b>  | - HMT Machine Tools Ltd.;             |
| <b>HECL</b>    | - Heavy Engineering Corporation Ltd.;     | <b>HMT(I)L</b> | - HMT (International) Limited         |
| <b>NPCIL</b>   | - Nuclear Power Corporation of India Ltd. |                | # DIN allotted on 15.04.2017          |

## Notes:

Following changes took place in the Directorship during the year 2018-19, and thereafter till the date of this report:

1. Shri Vinoo Gopal, Director (Projects) relinquished from the Directorship of EPI w.e.f 30.06.2018 (A/N) consequent upon his superannuation on 30.06.2018.
2. Vide DHI order no. 12-16/2/2017- TSW(Pt.) dated 29.06.2018, the additional charge of post of Director (Projects) was entrusted to Shri N. Sivanand, Joint Secretary, DHI & CMD w.e.f. 01.07.2018 on superannuation of Shri Vinoo Gopal, Director (Projects) on 30.06.2018(A/N) for a period of 3 months or till the appointment of regular incumbent or until further orders, whichever is the earliest.



3. Vide letter dated 07.08.2018, Shri Siya Sharan, relinquished from the Directorship of Engineering Projects (India) Ltd w.e.f. 07.08.2018. DHI vide order No. 16/7/2015-TSW dated 23.08.2018, had appointed Smt. Neelam S. Kumar, Chief Controller of Accounts (CCA), Ministry of Industry, as Part Time Official Director on the Board of EPI vice Shri Siya Sharan.
4. 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 vice Shri. N. Sivanand, Joint Secretary, DHI for a period of three (3) months with effect from 15.09.2018 or until further orders whichever is earlier. Consequently Shri N. Sivanand had relinquished from the office of CMD (Additional Charge) and Director(Projects)(Additional Charge) w.e.f. 14.09.2018.
5. Shri S.P.S. Bakshi, Chairman Cum Managing Director superannuated on 30.09.2018.
6. DHI Order No. 16/7/2015-TSW dated 16.11.2018, had appointed Smt. Sukriti Likhi, Joint Secretary, Department of Heavy Industries, as Part Time Official Director on the Board of EPI vice Shri. Vishvajit Sahay, Joint Secretary, DHI.
7. Vide DHI Order No. 16/11/2016-TSW dated 04.12.2018, Shri Sushant Baliga and Dr. Anita Chaudhary were re-appointed for a period of one year or until further orders which ever is earlier with effect from 17.11.2018 and 30.11.2018 respectively.
8. Additional charge of the post of CMD and Director(Projects),EPIL assigned to Shri S.S. Rawat, Director (Project Management), B&R was extended for a further period of 06 months w.e.f. 15.12.2018, or till the appointment of regular incumbent to these posts or until further orders, whichever earlier. By virtue of the above orders, the term expired on 14.06.2019. Further extensions orders are awaited.

### **(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 2018-19, Six (6) 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.      | 03.05.2018      | 7              | 7                        |
| 2.      | 27.07.2018      | 6              | 6                        |
| 3.      | 24.08.2018      | 5              | 5                        |
| 4.      | 26.09.2018      | 6              | 4                        |
| 5.      | 20.12.2018      | 6              | 5                        |
| 6.      | 19.03.2019      | 6              | 6                        |

#### (E) Meeting of Independent Directors

During the financial year 2018-19, Company's Independent Directors met on 29<sup>th</sup> March 2019 at EPI's Corporate Office, New Delhi- 110003 (without the attendance of functional Directors, Government Directors or members of the management) in compliance to Schedule IV of Companies Act, 2013- Code for Independent Directors.

#### (F) Brief Resume of the Directors on the Board as on 31<sup>st</sup> March 2019:

##### (i) Shri S.S. Rawat, Chairman & Managing Director (A/C) & Director (Projects) (A/C)

**Shri S. S. Rawat** has been entrusted additional charge of the post of Chairman & Managing Director and Director (Projects), Engineering Projects India Ltd. w.e.f. 15.09.2018. Shri S. S. Rawat is a B.Tech (Civil Engineering), College of Technology, G.B. Pant University of Agriculture & Technology, Pantnagar, Uttarakhand and having a One year Post Graduate Certificate Programme (Residential) in Management from IIM, Indore.

Shri Rawat worked in SAIL, Rourkela Steel Plant (since 17.08.1992) under the domain-project and contract management. Presently Shri S. S. Rawat is working in Bridge & Roof Co.(I) Ltd. as Director (Project Management) w.e.f.15.06.2016 and was given the Additional Charge of CMD, B&R w.e.f. 13.06.2017.

##### (ii) Shri Lekh Raj, Director (Finance)

**Shri Lekh Raj** has been appointed as Director (Finance) of EPI vide DHI orders dated 13.4.2017. He is a Chartered Accountant having rich experience of over 33 years in various areas of Finance and accounts and was actively involved in business decisions since policy formation till actual successful execution. He possesses experience in almost all areas related to corporate laws and commercial principles, accounting, budgeting, direct and indirect taxation, financial concurrence, statutory/CAG/stock audits, banking, board matters etc. Before joining EPI, Shri Lekh Raj has worked with NTPC in various levels in the finance functions and has also handled settlement of legal matters. He has also been part of Regulatory Group to deal with CERC.



He also headed the finance function of an independent company i.e. NTPC Vidyut Vyapar Nigam Limited (NVVN), a 100% subsidiary of NTPC Ltd. for more than 7 years. During his stay in NVVN he led the group for rolling out of Grid connected solar power plants as a probable alternate source of energy. He led the group for the conceptualisation by framing policy documents/guidelines for generation through solar, arranging tie-ups with States, drafting of Power Purchase/Sales Agreements and other legal agreements and entering them with Solar Power Developers (SPDs), finalising marketing model for power trading business, trading of power on power exchange, securitisation of realisations, export of power to Bangladesh etc. His achievements include revenue generation through sale of Fly ash generated in coal based power plants for use in pre-casted slabs, asbestos sheets, cement industry, use of Cenosphere (a by-product of fly ash) in paint industry etc.

**(iii) Smt. Sukriti Likhi, Joint Secretary, DHI and Part Time Official Director**

**Smt Sukriti Likhi**, Joint 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.

**(iv) 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.

**(v) Shri Sushant Baliga, Independent Director**

**Shri Sushant Baliga** joined EPI as an Independent Director with effect from 18.11.2015. Shri Baliga is a B.Tech from IIT Madras (1972), M.Tech from IIT Delhi (1975), MBA from Faculty of Management Sciences, University of Delhi (2006). He holds a certificate on Earthquake Engineering from International Institute of Earthquake Engineering and Seismology from University of Tsukuba, Japan (1980). After graduation, he was employed with Rodio-Hazarat (now AFCONS) for a year on construction of Marmugoa Barge Berths, Goa. He joined the Central PWD through Engineering Services Examination (1974) as Assistant Executive Engineer Class I. During his service, he has worked in various capacities ranging from Design Offices to Zonal Head (Chief Engineer in charge of Bihar, Jharkhand and Orissa) executing projects for a variety of clients. During this period of service, he was also deployed on deputation to various organisations i.e. National Buildings



Construction Corporation Ltd., as Executive Director looking after, Business Development; Domestic and International, Corporate Planning, Consultancy, Designs and Project Monitoring at Corporate Level in addition to looking after projects in the South Zone; Employees State Insurance Corporation as Chief Engineer; National Rural Roads Development Agency as Director was responsible for various World Bank and ADB funded projects. He retired from Government of India in May 2011 after serving as Additional Director General, Central PWD.

Post retirement, he has been engaged in various advisory capacities for Indian Institute of Technology Patna; Indian Institute of Technology Ropar; Indian Institute of Science Education and Research, Pune; All India Council of Technical Education; FICCI; National Buildings Construction Corporation Ltd.; National Thermal Power Corporation Ltd.; Delhi University; NIFT; The World Bank etc. and has held the position of Independent Director on the Board of Bridge and Roof (India) Ltd. He held the post of Chairman, Academic Council of the DPC. He is also a Life Member of the Indian Roads Congress and the Indian Council of Arbitration.

#### (vi) **Dr. Anita Chaudhary, Independent Director**

**Dr. Anita Chaudhary**, IAS ('76 Hy), retired as Secretary to Government of India, Department of Land Resources. She has done Ph.D from IGNOU on 'Right to Information as a tool for good governance in rural areas'. She did Post graduation in English Literature, from Fergusson College, Pune and a Masters in Soc. Sc. from University of Birmingham, UK. She has undergone important training programmes within the country and abroad. The important ones being in Agriculture marketing in Korea and Finance and Public Policy at Harvard.

During her career of 37 years in the IAS, she has held important posts in State and Central governments in the fields of finance, home, Industry, urban development, rural development, food and textiles. She has been MD of the Central Cottage Industries Corporation of the Govt of India. She is also an Independent Director with NPCIL. She is also Independent External Monitor with Ministry of Home and IFCI.

#### (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.

#### i. **AUDIT COMMITTEE**

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

1. Shri Sushant Baliga, Independent Director - Chairman
2. Dr. Anita Chaudhary, Independent Director - Member
3. Smt. Neelam S. Kumar, Part Time Official Director - Member

Shri Lekh Raj, Director (Finance) is Permanent Invitee to the Meetings of Audit Committee.

#### **Notes:**

- Shri Siya Sharan was Member up to 07.08.2018.
- Shri Vishvajit Sahay, Part time Official Director was Member from 20.08.2018 to 26.09.2018
- Smt. Neelam S. Kumar, Part Time Official Director is Member w.e.f. 26.09.2018

During 2018-19, the Committee had four meetings on 20.07.2018, 24.08.2018, 19.12.2018 and 19.03.2019.

The attendance details are as under-

| <b>Member</b>   | <b>No. of Meetings held during their respective tenure</b> | <b>No. of Meetings attended</b> |
|---|--|---------------------------------|
| Shri Sushant Baliga, Part Time Non Official Director- Chairman          | 4  | 4                               |
| Dr. Anita Chaudhary, Part Time Non Official Director- Member            | 4  | 4                               |
| Shri Siya Sharan, Part Time Official Director- Member <sup>@</sup>      | 1  | 0                               |
| Shri. Vishvajit Sahay, Part Time Official Director- Member <sup>#</sup> | 1  | 1                               |
| Smt. Neelam S. Kumar, Part Time Official Director- Member <sup>*</sup>  | 2  | 1                               |

@ Member up to 07.08.2018      # Member from 20.08.2018 to 26.09.2018      \* Member w.e.f. 26.09.2018

#### **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. 21<sup>st</sup> July 2014 as follows:-

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



2. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
3. Examination of the financial statement and the auditors' report thereon.
4. Approval or any subsequent modification of transactions of the company with related parties.
5. Scrutiny of inter-corporate loans and investments.
6. Valuation of undertakings or assets of the company, wherever it is necessary.
7. Evaluation of internal financial controls and risk management systems.
8. Monitoring the end use of funds raised through public offers and related matters, whenever applicable.
9. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
10. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of the Companies Act 2013 or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.
11. The Audit Committee of the company or the Board shall, in consultation with the Internal Auditor, formulate the scope, functioning, periodicity and methodology for conducting the internal audit.
12. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
13. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
14. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with legal requirements relating to financial statements;
  - f. Disclosure/ review of any related party transactions;
  - g. Qualifications in the draft audit report.
15. Reviewing, with the management, the quarterly financial statements before submission to the board for approval



16. Reviewing, with the management, performance of internal auditors, adequacy of the internal control systems
17. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit
18. Discussion with internal auditors and/or auditors any significant findings and follow- up there on.
19. Reviewing the findings of any internal investigations by the internal auditors/ auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
20. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
21. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
22. To review the functioning of the Whistle Blower/Vigil mechanism.
23. To review the follow up action on the audit observations of the C&AG Audit.
24. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
25. Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors
26. Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
27. Consider and review the following with the independent auditor and the management:
  - a. The adequacy of internal controls including computerized information system controls and security, and
  - b. Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
28. Consider and review the following with the management, internal auditor and the independent auditor:
  - a. Significant findings during the year, including the status of previous audit recommendations
  - b. Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information,
29. The Audit Committee shall also have powers:
  - a. To investigate any activity within its terms of reference.
  - b. To seek information on and from any employee.



- c. To obtain outside legal or other professional advice, subject to the approval of the Board of Directors.
- d. To secure attendance of outsiders with relevant expertise, if it considers necessary.
- e. To protect whistle blowers.

30. The Audit Committee shall review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of related party transactions submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses;
- e. The appointment and removal of the Chief Internal Auditor shall be placed before the Audit Committee; and
- f. Certification/declaration of financial statements by the Chief Executive/ Chief Financial Officer

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

## ii. CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY COMMITTEE

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

Presently, Committee has the following members:

- 1. Dr. Anita Chaudhary, Independent Director - Chairman
- 2. Shri Sushant Baliga, Independent Director - Member
- 3. Shri Lekh Raj, Director (Finance) - Member

During 2018-19, the Committee had a meeting on 24.08.2018.

The attendance details are as under-

| Member  | No. of Meetings held during their respective tenure | No. of 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               |



Details of activities undertaken by the Company under its CSR & Sustainability initiatives are given in CSR report attached as Annexure 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. Shri Sushant Baliga, Independent Director - Chairman
2. Dr. Anita Chaudhary, Independent Director - Member
3. Smt. Neelam S. Kumar, Part Time Official Director - Member

Shri Lekh Raj, Director (Finance) is the Permanent Invitee to the meetings of Remuneration Committee

#### Notes:

- Shri Siya Sharan was member up to 07.08.2018
- Shri Vishvajit Sahay was member upto 26.09.2018
- Smt Neelam S. Kumar is member w.e.f. 26.09.2018

During 2018-19, the Committee had three meetings on 03.05.2018, 27.07.2018 and 19.03.2019.

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 | 3   | 3                        |
| Dr. Anita Chaudhary, Part Time Non Official Director- Member   | 3   | 3                        |
| Shri Vishvajit Sahay, Part Time Official Director- Member @    | 2   | 2                        |
| Shri Siya Sharan, Part Time Non Official Director- Member #    | 2   | 2                        |
| Smt. Neelam S. Kumar, Part Time Official Director- Member *    | 1   | 1                        |

@ Member upto 26.09.2018

# Member up to 07.08.2018

\* Member w.e.f. 26.09.2018



#### 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 31<sup>st</sup> March 2019 is as under:

| S. No | Name of Shareholder  | No. of Shares | % of holding |
|-------|--|---------------|--------------|
| 1.    | The President of India<br>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. 5 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 2018-19 are as under:

### A: Functional/Whole-time Directors:

(In Rs)

| Name of Directors   | Salary    | Benefits | Performance Linked Incentives | Total     |
|---|-----------|----------|-------------------------------|-----------|
| Shri S.P.S. Bakshi, Chairman-cum-Managing Director *        | 15,00,382 | -        | -                             | 15,00,382 |
| Shri Lekh Raj, Director (Finance)                           | 41,96,383 | 1,96,200 | -                             | 43,92,583 |
| Shri Vinoo Gopal, Director (Projects)*** (up to 30.06.2018) | 8,09,244  | 49,050   | -                             | 8,58,294  |

\* Under suspension w.e.f. 20.03.2017 & superannuated on 30.09.2018. The above includes payment of subsistence Allowance.

\*\*\* Shri. Vinoo Gopal superannuated on 30.06.2018

### B: Independent Director:

(In. Rs)

| Name of Director    | Sitting Fees  |                   | Fee for Independent Directors' meeting* | Total    |
|---------------------|---------------|-------------------|---|----------|
|                     | Board Meeting | Committee Meeting |   |          |
| Shri Sushant Baliga | 90,000        | 80,000            | 15,000                                  | 1,85,000 |
| Dr. Anita Chaudhary | 75,000        | 80,000            | 15,000                                  | 1,70,000 |

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 1.43% as compared to 2.02% in 2017-18. Financial expenses as a percentage of total expenses has been 0.28% compared to 0.30% in 2017-18. In spite of almost same Turnover as that of previous year, the Company has been able to reduce other expenses and financial expenses as compared to previous year.
- 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](http://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)   |
|------------------|----------------|--|--|
| 48 <sup>th</sup> | 2017-18        | September 26 <sup>th</sup> , 2018 at 12:00 Noon (Adjourned on September 29 <sup>th</sup> , 2018 at 10:00 A.M.) | Core-3, SCOPE Complex, (4 <sup>th</sup> Floor), 7 Lodhi Road, New Delhi-110003 |
| 47 <sup>th</sup> | 2016-17        | September 28 <sup>th</sup> , 2017 at 11:30 A.M. (Adjourned on September 28 <sup>th</sup> , 2017 at 05:45 P.M.) | Core-3, SCOPE Complex, (4 <sup>th</sup> Floor), 7 Lodhi Road, New Delhi-110003 |
| 46 <sup>th</sup> | 2015-16        | September 30 <sup>th</sup> , 2016 at 11:30 A.M.  | Core-3, SCOPE Complex, (4 <sup>th</sup> Floor), 7 Lodhi Road, New Delhi-110003 |

Notice of 49<sup>th</sup> Annual General Meeting for the financial year 2018-19 will contain details about day, date, time, venue of the AGM along with route map.



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

| AGM              | Financial Year | Details of Special Resolution passed   |
|------------------|----------------|--|
| 48 <sup>th</sup> | 2017-18        | NIL  |
| 47 <sup>th</sup> | 2016-17        | Closure of EPI's Subsidiary Company (and its branch) i.e. EPI Urban Infra Developers Limited (EPIUIDL) through voluntary liquidation/voluntary winding |
| 46 <sup>th</sup> | 2015-16        | Amendment in Memorandum of Association   |

**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 in response to 96 applications / requests received during the year under report.

The details of RTI applications received and disposed off during the year 2018-19 are as under:

|    |  |    |
|----|--|----|
| 1. | No. of RTI application pending as on 01 <sup>st</sup> April, 2018. | 0  |
| 2. | No. of RTI application received during the year 2018-19.           | 96 |
| 3. | No. of RTI application disposed-off during the year 2018-19        | 96 |
| 4. | No. of RTI application pending on 31 <sup>st</sup> March 2019.     | 0  |

**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 is included as an attachment to the Directors' Report. The Comptroller and Auditor General of India has given "NIL" Comments on the financial statements (Standalone & Consolidation) of the Company.

**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](http://www.engineeringprojects.com). All Board members and key officials of the company have affirmed their compliance with the code (except cases under suspension). 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**.



## Annexure B1

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

We have reviewed the financial statements and the cash flow statement of Engineering Projects (India) Limited for the year ended 31<sup>st</sup> March, 2019 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 2018-19 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 2018-19;
  - b) Significant changes in accounting policies during the year 2018-19 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/-**  
**(Lekh Raj)**  
**Director (Finance) &**  
**Chief Financial Officer**  
**DIN: 07794894**

**Sd/-**  
**(S. S. Rawat)**  
**Chairman & Managing Director (A/C) &**  
**Chief Executive Officer**  
**DIN: 07555572**

**Place: New Delhi**

**Date: 16<sup>th</sup> July 2019**



**Annexure B2**

***DECLARATION BY CHAIRMAN & MANAGING DIRECTOR (A/C) REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2018-19.***

I, S.S. Rawat, Chairman & Managing Director (A/C), Engineering Projects (India) Limited, do hereby declare that all the Members of the Board of Directors and the Senior Management Team of the Company (except cases under suspension) have affirmed their compliance of the Code of Business Conduct and Ethics of the Company during 2018-19.

**Sd/-**  
**(S. S. Rawat)**  
**Chairman & Managing Director (A/C)**  
**DIN: 07555572**

**Place: New Delhi**

**Date: 16<sup>th</sup> July 2019**



## **CORPORATE GOVERNANCE CERTIFICATE**

To

The Members,

**Engineering Projects India United, .**

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 **31<sup>st</sup> March, 2019** 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 abovementioned 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.

Place: New Delhi

Date: 21/06/2019

For **AGB & Associates**  
Company Secretaries

**Sd/-**

**FCS Nitin Rawat**

(Partner)

C.P. No. 10554



## **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:**

As a socially responsible corporate citizen, your Company is committed to create a positive and lasting social impact by mutual trust and respect by raising the standard of living of the people in and around the project site.

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](http://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 headed by an Independent Director.

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. | Dr. Anita Chaudhary, Independent Director | - | Chairman |
| 2. | Shri Sushant Baliga, Independent Director | - | Member   |
| 3. | Shri Lekh Raj, 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 (1272.693) as the Net profit for the last three financial year i.e. 2015-16, 2016-17 and 2017-18 was Rs.105.77 Lakhs, Rs.108.48 Lakhs and Rs. (4032.33) 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 2018-19- 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 2018-19.

**(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 2018-19.**

**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 Lekh Raj)

Director (Finance) & Member- CSR Committee

Sd/-  
(Dr. Anita Chaudhary)  
(Chairman- CSR Committee)

Date: 16<sup>th</sup> July 2019

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/-  
**(S.S. Rawat)**  
**Chairman & Managing Director (A/C)**  
**DIN: 07555572**

Place: New Delhi  
**Date: 16<sup>th</sup> July 2019**



**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31<sup>st</sup> March 2019

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

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN: **-U27109DL1970GOI117585**
- ii) Registration Date: **16<sup>th</sup> 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, 1<sup>st</sup> 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                               | 31%                                |
| 2.      | Construction of other civil engineering projects | 429                               | 67%                                |

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

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

| S. N. | NAME AND ADDRESS OF THE COMPANY  | CIN/GLN               | HOLDING/ SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|-------|--|-----------------------|--------------------------------|------------------|--------------------|
| 1.    | EPI Urban Infra Developer Limited*<br>Core-3, Scope Complex,<br>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 |                          |
| <b>A. Promoters</b>                                       |   |                 |                 |                   |   |                 |                 |                   |                          |
| <b>(1) Indian</b>   |   |                 |                 |                   |   |                 |                 |                   |                          |
| 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-<br>-6 PSUs and 1 Trust                     | Nil   | 7011            | 7011            | 0.02              | Nil                                       | 7011            | 7011            | 0.02              | Nil                      |
| <b>Sub-total (A) (1):-</b>                                | <b>Nil</b>                                      | <b>35422688</b> | <b>35422688</b> | <b>100</b>        | <b>Nil</b>                                | <b>35422688</b> | <b>35422688</b> | <b>100</b>        | <b>Nil</b>               |
| <b>(2) Foreign</b>  |   |                 |                 |                   |   |                 |                 |                   |                          |
| a) NRIs-Individuals                                       | Nil   | Nil             | Nil             | Nil               | Nil                                       | Nil             | Nil             | Nil               | Nil                      |
| b) Other –<br>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                      |
| <b>Sub-total (A) (2):-</b>                                | <b>Nil</b>                                      | <b>Nil</b>      | <b>Nil</b>      | <b>Nil</b>        | <b>Nil</b>                                | <b>Nil</b>      | <b>Nil</b>      | <b>Nil</b>        | <b>Nil</b>               |
| <b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b> | <b>Nil</b>                                      | <b>35422688</b> | <b>35422688</b> | <b>100</b>        | <b>Nil</b>                                | <b>35422688</b> | <b>35422688</b> | <b>100</b>        | <b>Nil</b>               |
| <b>B. Public Shareholding</b>                             |   |                 |                 |                   |   |                 |                 |                   |                          |
| <b>1. Institutions</b>                                    |   |                 |                 |                   |   |                 |                 |                   |                          |
| 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) FIIs  | 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        |
| <b>Sub-total (B) (1):-</b>   | <b>Nil</b> | <b>Nil</b>      | <b>Nil</b>      | <b>Nil</b> | <b>Nil</b> | <b>Nil</b>      | <b>Nil</b>      | <b>Nil</b> | <b>Nil</b> |
| <b>2. Non-institutions</b>   |            |                 |                 |            |            |                 |                 |            |            |
| <b>a) Bodies Corporate</b>   |            |                 |                 |            |            |                 |                 |            |            |
| i) Indian  | Nil        | Nil             | Nil             | Nil        | Nil        | Nil             | Nil             | Nil        | Nil        |
| ii) Overseas   | Nil        | Nil             | Nil             | Nil        | Nil        | Nil             | Nil             | Nil        | Nil        |
| <b>b) Individuals</b>  |            |                 |                 |            |            |                 |                 |            |            |
| 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        |
| <b>Sub-total (B) (2):-</b><br><b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b> | <b>Nil</b> | <b>Nil</b>      | <b>Nil</b>      | <b>Nil</b> | <b>Nil</b> | <b>Nil</b>      | <b>Nil</b>      | <b>Nil</b> | <b>Nil</b> |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                           | Nil        | Nil             | Nil             | Nil        | Nil        | Nil             | Nil             | Nil        | Nil        |
| <b>Grand Total (A+B+C)</b>   | <b>Nil</b> | <b>35422688</b> | <b>35422688</b> | <b>100</b> | <b>Nil</b> | <b>35422688</b> | <b>35422688</b> | <b>100</b> | <b>Nil</b> |

## (ii) Shareholding of Promoters

| Sl. No | Shareholder's Name   | Shareholding at the beginning of the year |                                  |  | Share holding at the end of the year |                                  |  | % change in share holding during 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 |   |
| 1      | President of India (through Ministry of Heavy Industries and Public Enterprises) | 35415677                                  | 99.98%                           | Nil  | 35415677                             | 99.98%                           | Nil  | Nil                                       |
|        | <b>Total</b>   | <b>35415677</b>                           | <b>99.98%</b>                    | <b>Nil</b>                                       | <b>35415677</b>                      | <b>99.98%</b>                    | <b>Nil</b>                                       | <b>Nil</b>                                |



**(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   | <b>35415677</b>                           | <b>99.98</b>                     | <b>35415677</b>                         | <b>99.98</b>                     |
|         | 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): | <b>Nil</b>                                | <b>Nil</b>                       | <b>Nil</b>                              | <b>Nil</b>                       |
|         | At the End of the year   | <b>35415677</b>                           | <b>99.98</b>                     | <b>35415677</b>                         | <b>99.98</b>                     |

**(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<br>Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): |   |                                  |   |                                  |
| <b>1.</b> | The President of India  | 35415677                                  | 99.9784                          | 35415677                                | 99.98                            |
| <b>2.</b> | Heavy Engineering Corporation Limited   | 3575                                      | 0.0101                           | 3575                                    | 0.0101                           |
| <b>3.</b> | Bharat Heavy Electricals Limited  | 1892                                      | 0.0053                           | 1892                                    | 0.0053                           |
| <b>4.</b> | Mining & Allied Machinery Corporation Limited   | 490                                       | 0.00138                          | 490                                     | 0.00138                          |
| <b>5.</b> | Triveni Structurals Limited   | 490                                       | 0.00138                          | 490                                     | 0.00138                          |
| <b>6.</b> | Instrumentation Limited   | 350                                       | 0.000988                         | 350                                     | 0.000988                         |
| <b>7.</b> | Hindustan Steelworks Construction Limited   | 210                                       | 0.000592                         | 210                                     | 0.000592                         |
| <b>8.</b> | 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 |
|         | <u>At the beginning of the year</u><br>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.):                               |   |                                  |   |                                  |
| 1.      | Shri SPS Bakshi, Chairman Cum Managing Director (under suspension w.e.f. 20.03.2017) Superannuated on 30.09.2018<br><u>Beginning of the year</u><br><u>End of the year</u>   | Nil<br>Nil                                | Nil<br>Nil                       | Nil<br>Nil                              | Nil<br>Nil                       |
| 2.      | Shri N. Sivanand, Additional charge of Chairman & Managing Director (w.e.f. 15.06.2017 to 14.09.2018) and additional charge of Director (Projects) w.e.f. 01.07.2018 to 14.09.2018<br><u>Beginning of the year</u><br><u>End of the year</u> | Nil<br>Nil                                | Nil<br>Nil                       | Nil<br>Nil                              | Nil<br>Nil                       |
| 3.      | Shri S.S.Rawat, Additional charge of Chairman & Managing Director and additional charge of Director (Projects) (appointed w.e.f. 15.09.2018)<br><u>Beginning of the year</u><br><u>End of the year</u>                                       | Nil<br>Nil                                | Nil<br>Nil                       | Nil<br>Nil                              | Nil<br>Nil                       |
| 4.      | Shri Vinoo Gopal, Director (Projects) (ceased w.e.f. 30.06.2018(A/N))<br><u>Beginning of the year</u><br><u>End of the year</u>  | Nil<br>Nil                                | Nil<br>Nil                       | Nil<br>Nil                              | Nil<br>Nil                       |
| 5.      | Shri Lekh Raj, Director (Finance) (appointed w.e.f. 13.04.2017)<br><u>Beginning of the year</u><br><u>End of the year</u>  | Nil<br>Nil                                | Nil<br>Nil                       | Nil<br>Nil                              | Nil<br>Nil                       |
| 6.      | Shri Vishvajit Sahay, Govt. Nominee Director (Ceased w.e.f. 16.11.2018)<br><u>Beginning of the year</u><br><u>End of the year</u>  | Nil<br>Nil                                | Nil<br>Nil                       | Nil<br>Nil                              | Nil<br>Nil                       |
| 7.      | Shri Siya Sharan, Govt. Nominee Director (relinquished w.e.f. 07.08.2018)<br><u>Beginning of the year</u><br><u>End of the year</u>  | Nil<br>Nil                                | Nil<br>Nil                       | Nil<br>Nil                              | Nil<br>Nil                       |
| 8.      | Smt. Neelam S. Kumar, Govt. Nominee Director (Appointed w.e.f. 23.08.2018)<br><u>Beginning of the year</u><br><u>End of the year</u>   | Nil<br>Nil                                | Nil<br>Nil                       | Nil<br>Nil                              | Nil<br>Nil                       |
| 9.      | Smt. Sukriti Likhi, Govt. Nominee Director (Appointed w.e.f. 16.11.2018)<br><u>Beginning of the year</u><br><u>End of the year</u>   | Nil<br>Nil                                | Nil<br>Nil                       | Nil<br>Nil                              | Nil<br>Nil                       |
| 10.     | Shri Sushant Baliga, Independent Director<br><u>Beginning of the year</u><br><u>End of the year</u>  | Nil<br>Nil                                | Nil<br>Nil                       | Nil<br>Nil                              | Nil<br>Nil                       |



|     |   |            |            |            |            |
|-----|---|------------|------------|------------|------------|
| 11. | Dr. Anita Chaudhary , Independent Director<br><u>Beginning of the year</u><br><u>End of the year</u>                              | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil |
| 12. | Smt. Sudha V. Varadhan, Company Secretary<br>(Ceased w.e.f. 01.10.2018)<br><u>Beginning of the year</u><br><u>End of the year</u> | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil |
| 13. | Smt. Deepika Mehta, Company Secretary<br>(Appointed w.e.f. 01.10.2018)<br><u>Beginning of the year</u><br><u>End of the year</u>  | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil |

## V. INDEBTEDNESS

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

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

## 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 |
|--------|---|-------------------------|---|---|--------------|
|        |   | CMD [CEO]*              | Shri Vinoo<br>Gopal<br>Director<br>(Projects) | Shri Lekh Raj<br>Director<br>(Finance)<br>(CFO) |              |
| 1      | Gross salary  |                         |   |   |              |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 9,37,056                | 6,19,236                                      | 35,67,803                                       | 51,24,095    |
|        | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 1,27,570                | 1,26,861                                      | 2,92,375  | 5,46,806     |
|        | (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<br>- as % of profit<br>- Others, specify...              | 0<br>0   | 0<br>0   | 0<br>0    | 0<br>0    |
| 5 | Others- Contribution to Statutory Funds & other reimbursements etc. | 0  | 0        | 0         | 0         |
|   | <b>Total (A)</b>  | 10,64,626  | 7,46,097 | 38,60,178 | 56,70,901 |
|   | 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 <sup>th</sup> June 2015. |          |           |           |

\* Under suspension w.e.f. 20.03.2017(Superannuated on 30.09.2018) and payment includes subsistence allowance.No Salary or allowances have been paid to Shri N.Sivanand, Joint Secretary, DHI who held the additional charge of post of Chairman & Managing Director (CMD) w.e.f. 15.06.2017 to 14.09.2018 & Additional Charge of post of Directors (Projects) w.e.f.01.07.2018 to 14.09.2018 and Shri. S.S.Rawat , Director (Project Management) Bridge & Roof Co. (India) Limited who holds the additional charge of post of Chairman & Managing Director (CMD) & Director(Projects) w.e.f. 15.09.2018.

#### B. Remuneration to other directors:

| Sl.No. | Particulars of Remuneration  | Name of Directors  |                     | Total Amount |
|--------|--|--|---------------------|--------------|
|        |  | Shri Sushant Baliga  | Dr. Anita Chaudhary |              |
| 1.     | <b>Independent Directors</b><br>• Fee for attending board / committee meetings<br>• Commission<br>• Others, please specify         | 1,85,000   | 1,70,000            | 3,55,000     |
|        | <b>Total (1)</b>   |  |                     |              |
| 2.     | <b>Other Non-Executive Directors</b><br>• Fee for attending board / committee meetings<br>• Commission<br>• Others, please specify | NIL  | NIL                 | NIL          |
|        | <b>Total (2)</b>   | -  | -                   |              |
|        | <b>Total (B)=(1+2)</b>   | 1,85,000   | 1,70,000            | 3,55,000     |
|        | 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 <sup>th</sup> June 2015. |                     |              |

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

| Sl.No. | Particulars of Remuneration   | Key Managerial Personnel |  |  |     | Total     |
|--------|---|--------------------------|--|--|-----|-----------|
|        |   | CEO                      | CS<br>Smt. Sudha V. Varadhan (upto 30.09.2018) | CS<br>Smt. Deepika Mehta (w.e.f. 01.10.2018) | CFO |           |
| 1      | Gross salary  |                          |  |  |     |           |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 0                        | 9,58,660                                       | 5,12,735                                     | 0   | 14,71,395 |
|        | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 0                        | 0  | 0  | 0   | 0         |



|   |  |          |                 |                 |          |                  |
|---|--|----------|-----------------|-----------------|----------|------------------|
|   | (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 -<br>- as % of profit<br>- Others, specify...               | 0        | 0               | 0               | 0        |                  |
| 5 | Others, please specify   | 0        | 0               | 0               | 0        |                  |
|   | <b>Total</b>   | <b>0</b> | <b>9,58,660</b> | <b>5,12,735</b> | <b>0</b> | <b>14,71,395</b> |

#### 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) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |   |                              |                                    |
| Penalty                             | NIL                          | NIL               | NIL   | NIL                          | NIL                                |
| Punishment                          | NIL                          | NIL               | NIL   | NIL                          | NIL                                |
| Compounding                         | NIL                          | NIL               | NIL   | NIL                          | NIL                                |
| <b>B. DIRECTORS</b>                 |                              |                   |   |                              |                                    |
| Penalty                             | NIL                          | NIL               | NIL   | NIL                          | NIL                                |
| Punishment                          | NIL                          | NIL               | NIL   | NIL                          | NIL                                |
| Compounding                         | NIL                          | NIL               | NIL   | NIL                          | NIL                                |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                              |                                    |
| Penalty                             | NIL                          | NIL               | NIL   | NIL                          | NIL                                |
| Punishment                          | NIL                          | NIL               | NIL   | NIL                          | NIL                                |
| Compounding                         | NIL                          | NIL               | NIL   | NIL                          | NIL                                |

Sd/-  
(S.S. Rawat)  
Chairman & Managing Director  
DIN: 07555572

Place: New Delhi  
Date: 16<sup>th</sup> July 2019



# SECRETARIAL AUDIT REPORT

Form No. MR-3

(For the Financial year ended on 31st March 2019)

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

To

The Members

**ENGINEERING PROJECTS (INDIA) LIMITED**

CIN: U27109DL1970GOI 117585

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 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 31<sup>st</sup> March 2019, 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 **ENGINEERING PROJECTS (INDIA) LIMITED** ("The Company") for the period ended on March 2019 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;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (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;
- (v) The following Regulations and Guidelines prescribed under the Securities Exchange Board of India, Act, 1992, ('SEBI Act'):-
  - (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, 1992;



- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations. 2009;
  - (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 (effective 28<sup>th</sup> October 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, 1998.
- (vi) Following laws and the rules made thereunder have been identified as specifically applicable to the company by the Management:
- (a) Department of Public Enterprises Guidelines are issued by Ministry of Heavy Industries and public Enterprises dated 14th May 2010.
  - (b) Income Tax Act, 1961
  - (c) Goods And Service Act. 2017
  - (d) Service Tax law
  - (e) VAT/Central Sales Tax Act/WCT
  - (f) Information Technology Act, 2000 and the rules made thereunder
  - (g) Foreign Exchange Management Act. 1999
  - (h) The Environment (Protection) Act, 1986
  - (i) The Water (Prevention and Control of Pollution) Act, 1974
  - (j) The Air (Prevention and Control of Pollution) Act, 1981
  - (k) Indian Stamp Act 1999
  - (l) Right to Information Act, 2005
  - (m) Other Labour Laws and Rules made thereunder:
    - Construction workers (Regulation of Employment and Condition of Service) Act, 1996
    - Commercial Shops and Establishment Act
    - Contract Labour (Regulation and Abolition) Act, 1970
    - Workmen Compensation Act, 1923
    - Employees Provident Fund and Miscellaneous Provisions Act, 1952
    - Employees State Insurance Act, 1948
    - Equal Remuneration Act, 1976
    - Maternity Benefits Act, 1961
    - Minimum Wages Act, 1948
    - Payment of Gratuity Act, 1972



- Payment of Wages Act, 1936
- Payment of Bonus Act, 1965
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

- (a) The Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the Central Government with respect to Board and General Meeting has generally been complied by the company without any material non-compliance.
- (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 and therefore no observation in respect of compliance is required;

We further report that during the period under review the company has complied with the provisions of the Act Rules, Regulations, Guidelines, Standards etc. mentioned above without any material non-compliances and subject to the following observations:

1. The Acts, Rules, Regulations, Agreements and Guidelines mention in clause(s) (ii) and (v) above do not require any observation as the company is an unlisted entity and hence these are not applicable.
2. The Acts, Rules and Regulations mention in clause (iii) and (iv) above does not require any observation as no such event has occurred during the period under consideration.
3. In respect of other laws specifically applicable to the company mentioned in clause (vi) above we observed that systems and processes are based on certifications from various divisional/regional heads in the company who are responsible to monitor and ensure compliances with all applicable laws, rules, regulations and guidelines.
4. We further report that the Company has in our opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act. 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company without any material non-compliance Subject to the present report and Statutory Auditors Report.

We further report that:

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

Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for the shorter notice here 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.

Majority decisions are carried through unanimously unless the dissenting members views are captured and recorded as part of the minutes.



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 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 17<sup>th</sup> February 2016, in respect of Strategic disinvestment process of “The Company” through merger with similarly placed CPSE, got further modified in the meeting held on 13<sup>th</sup> 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 19<sup>th</sup> 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 29<sup>th</sup> June 2019.
1. It has been further informed that “EPI Urban Infra Developers Limited (EPIUIDL-CIN: U45309DL2016GOI299995), which was incorporated as Subsidiary Company of EPI on 19<sup>th</sup> 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, 2019 was filed with the Regional Director (RD), North for summary winding up of EPIUIDL on 12<sup>th</sup> 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 including CMD 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. The director under suspension is not getting involved in day to day affairs of the company in terms of orders of Department of Heavy Industries. Ministry of Heavy Industries & Public Enterprises and got superannuated on 30<sup>th</sup> September 2018. 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 Vishal Agarwal & Associates  
Company Secretaries**

**Sd/-  
(CS Vishal Agarwal)  
FCS No. 7242  
CP No. 7710**

Place: New Delhi  
Date : 16.07.2019

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  
CJN: 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 Vishal Agarwal & Associates  
Company Secretaries**

Sd/-  
**(CS Vishal Agarwal)**  
**FCS No. 7242**  
**CP No. 7710**

**Place: New Delhi**  
**Date : 16.07.2019**



# INDEPENDENT AUDITOR'S REPORT

## To The Members of

Engineering Projects (India) Limited

## Report on the Audit of the Standalone Financial Statements

We have audited the standalone financial statements of **Engineering projects (India) Limited** ("EPIL/ the Company"), which comprise the balance sheet as at 31st March 2019, 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 Comptroller and Auditor General of India (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)**

| Assets  | Amount (Rs.)         |
|---|----------------------|
| Advances for Works                              | 33,70,43,770         |
| Security Deposits & Retention money Receivables | 2,07,02,02,196       |
| Trade Receivables (non-current)                 | 60,13,57,993         |
| Trade Receivables (current)                     | 3,47,15,38,700       |
| Other Recoverable                               | 2,01,22,09,093       |
| <b>Total Receivables</b>                        | <b>849,23,51,752</b> |

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 Payables and payable to other parties are subject to confirmation/ reconciliation. (Refer note No-2.43)**

| Liabilities                                    | Amount (Rs.)   |
|--|----------------|
| Trade Payables (Long Term)                     | 1,17,40,00,042 |
| Trade Payables (Current)                       | 4,94,94,21,033 |
| Security Deposits & Retention Money Payables   | 3,04,36,94,345 |
| Security Deposits & Retention Money Payables © | 61,10,76,884   |



|                            |                        |
|----------------------------|------------------------|
| Clients advances           | 33,86,74,080           |
| Clients advances (Current) | 3,73,44,24,661         |
| Other Payables to Clients  | 1,40,85,298            |
| <b>Total Payables</b>      | <b>13,86,53,76,343</b> |

**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.23,68,95,695/- as on 31.03.2019. Against this receivable, Rs. 7,46,77,718/- is pending for payment to subcontractors. Thus, Net outstanding for which provisioning is required works out to Rs. 16,22,17,977/-, 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. 4,43,77,000/- up to 31.03.2019. Thus, required provisioning is short by Rs. 11,78,40,977/- and consequently loss of the EPIL is understated by the same amount {Refer to Note No. 2.46(a).
4. Disclosures required by Accounting Standard (AS)-7 (Construction Contracts), AS-18 (Related Party Disclosers) and AS-19 (Leases) are neither given by Regional Offices (RO) in their financial statements, nor commented upon by respective RO Auditors. Therefore, we at HO level are unable to form any opinion on proper disclosure on these Accounting Standards.

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, 2019, and its loss, 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 enough 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. The operation of Myanmar Branch was started on 3rd May 2018. However, this fact had not disclosed in the financial statements by the Myanmar Branch. Further, Statement of Profit and Loss Account prepared for the full year 2018-19 instead of period from 03/05/2018 To 31/03/2019.
3. In lieu of BG provided by EPIL for Rs. 45,54,00,000/- on behalf of C&C Constructions Limited in Myanmar Project, EPIL has received Rs. 10,12,36,194/- and balance is treated as secure against work done in ‘Oman. Refer to Note no.2.29(b)
4. 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.
5. 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.

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.

### **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.1,659.93 Crores (Rs. 1,703.58 Crores), total liabilities Rs, 1528.44 Crores (Rs.1,652.18 Crores) as at 31st March 2019 (31st March 2018) and total revenue of Rs. 1,795.06 Crores (Rs, 1,621.34 Crores) for the years ended on that date, are 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 section 143 of the Companies Act, 2013, we give in the Annexure 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) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act
  - (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.



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 2019 on accounts of Corporate/Alwar 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/-

Pankaj Kumar

(Partner)

(Membership No. 073291)

Place: New Delhi

Date: 16/07/2019

UDIN : 19073291AAAAAP6912



## Annexure A to the Independent Auditors' Report

Referred to in our Report of even date on the Accounts of **Engineering Projects (India) Limited “(EPIL)”** for the year ended on 31st March 2019.

- (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 Block as on 31.03.2019 (Rs.) | Net Block as on 31.03.2019 (Rs.) |
|-----------------------|--------------|-----------------|------------------------------------|----------------------------------|
| Building Leasehold    | 1            | 61,066          | 6,36,11,348                        | 4,02,33,643                      |

- (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 information and explanations 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. M/s. A.G. Agarwal & Associates Cost Auditor appointed by the Company has submitted the Cost Audit report for the year ended 31<sup>st</sup> March 2019.

(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 were no undisputed statutory outstanding dues as at last day of the financial year i.e. 31<sup>st</sup> March 2019 for a period of more than six months from the date they become payable.

| Sl. No. | Name of Region                   | Name of Statute            | Nature of Dues | Amount (Rs.)    | Period to which it relates | Forum where dispute is pending   |
|---------|----------------------------------|----------------------------|----------------|-----------------|----------------------------|--|
| 1       | EASTERN REGIONAL OFFICE, KOLKATA | West Bengal Commercial Tax |                | 2,02,96,133.59  | 2005-06                    | West Bengal Taxation Tribunal, Kolkata   |
| 2       | EASTERN REGIONAL OFFICE, KOLKATA | West Bengal Commercial Tax |                | 11,61,775.00    | 2007-08                    | West Bengal Commercial Taxes appellate & Revisional Board, Kolkata   |
| 3       | EASTERN REGIONAL OFFICE, KOLKATA | West Bengal Commercial Tax |                | 41,045.00       | 2008-09                    | There was demand for Rs. 41,045 Case has already resolved. Computation for refund is under process with tax authority. |
| 4       | EASTERN REGIONAL OFFICE, KOLKATA | West Bengal Commercial Tax |                | 19,13,545.00    | 2009-10                    | Special Commissioner, West Bengal Commercial Tax, Kolkata  |
| 5       | EASTERN REGIONAL OFFICE, KOLKATA | West Bengal Commercial Tax |                | 7,62,67,338.17  | 2011-12                    | West Bengal Taxation Tribunal, Kolkata   |
| 6       | EASTERN REGIONAL OFFICE, KOLKATA | West Bengal Commercial Tax |                | 4,15,40,656.49  | 2012-13                    | Senior Joint Commissioner (1st Appeal) West Bengal Commercial Tax, Kolkata   |
| 7       | EASTERN REGIONAL OFFICE, KOLKATA | West Bengal Commercial Tax |                | 10,30,28,642.17 | 2013-14                    | West Bengal Taxation Tribunal, Kolkata   |
| 8       | EASTERN REGIONAL OFFICE KOLKATA  | West Bengal Commercial Tax |                | 1,36,29,849.84  | 2014-15                    | West Bengal Taxation Tribunal, Kolkata   |



| Sl. No. | Name of Region                      | Name of Statute                   | Nature of Dues  | Amount (Rs.)        | Period to which it relates | Forum where dispute is pending  |
|---------|-------------------------------------|-----------------------------------|-----------------|---------------------|----------------------------|---|
| 9       | EASTERN REGIONAL OFFICE, KOLKATA    | West Bengal Commercial Tax        |                 | 3,67,34,392.00      | 2015-16                    | Demand order raised by Jt. Commissioner Commercial Taxes CAU-I, Beliaghata              |
| 10      | EASTERN REGIONAL OFFICE, KOLKATA    | West Benga Commercial Tax         |                 | 1,15,91,497.00      | 2017-18                    | Final Audit report issued by Jt. Commissioner Sales Tax Kolkata South Circle            |
| 11      | EASTERN REGIONAL OFFICE, KOLKATA    | Service Tax Deptt.                |                 | 4,18,63,946.00      | 2005-06 to 2007-08         | The CESTAT, Kolkata   |
| 12      | EASTERN REGIONAL OFFICE, KOLKATA    | Service Tax Deptt.                |                 | 37,46,050.00        | 2010-11 to 2012-13         | The CESTAT, Kolkata   |
| 13      | EASTERN REGIONAL OFFICE, KOLKATA    | Service Tax Deptt.                |                 | 75,09,137.00        | 2011-12 to 2015-16         | Demand order passed by Commissioner CGST & CEX Appeals-I Kolkata                        |
| 14      | EASTERN REGIONAL OFFICE, KOLKATA    | Service Tax Deptt.                |                 | 36,17,680.00        | 2004-05 to 2005-06         | filed before Customs Excise and Service Tax Appellate Tribunal, East Zone Bench Kolkata |
| 15      | SOUTHERN REGIONAL OFFICE, CHENNAI   | AndhraPradesh Value Added Tax Act | Demand          | 44,48,905.00        | 2008-09 & 2009-10          | High Court of Andhra Pradesh, Hyderabad   |
| 16      | NORTHERN REGIONAL OFFICE, NEW DELHI | UP Trade Tax Act, 1948            | Demand          | 8,72,500            | 1993-94                    | Sales Tax Tribunal  |
| 17      | NORTHERN REGIONAL OFFICE, NEW DELHI | Service Tax Deptt.                | Demand/ Penalty | 9,83,80,264         | 2012-13                    | Delhi High Court  |
| 18      | WESTERN REGIONAL OFFICE, MUMBAI     | Chattisgarh GST                   | Demand          | 95,86,707           | 2013-14                    | Appellate Tribunal  |
| 19      | WESTERN REGIONAL OFFICE, MUMBAI     | Chattisgarh GST                   | Demand          | 1,53,15,051         | 2014-15                    | Add. Commissioner   |
| 20      | WESTERN REGIONAL OFFICE, MUMBAI     | Chattisgarh VAT                   | Demand          | 35,54,970           | 2014-15                    | Add. Commissioner   |
| 21      | WESTERN REGIONAL OFFICE, MUMBAI     | TDS Defaults                      | Demand          | 6,31,060            | 2014-18                    | Add. Commissioner   |
|         |                                     | <b>Total</b>                      |                 | <b>49,57,31,144</b> |                            |   |

- (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 cases and filed FIR against three employees of EPIL. The case is in respect of alleged illegal gratification taken by the accused employees of EPI for award of tenders. Further as explained to us, EPIL is not named as party in the FIR and no financial impact on its financial statements 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 explanations 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: 16.07.2019



## Annexure to the Independent Auditors' Report of even date on the 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, 2019 in conjunction with our audit of the standalone 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 disposition 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 maintained, 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, 2018, 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. 26.50 Crores. As on 31st March 2019, Rs. 8.91 Crores remains outstanding.

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

Sd/-  
Pankaj Kumar  
(Partner)  
(Membership No. 073291)  
Place: New Delhi  
Date: 16.07.2019



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

| S.No. | Directions   | Reply   |
|-------|--|---|
| 1.    | 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.   |
| 2.    | Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company 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. |
| 3.    | 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 & Accociates**

Chartered Accountants

Firm's Regn. No: 005359C

Sd/-

**Pankaj Kumar**

Partner

M. No : 073291

Place: NewDelhi

Date: 16/07/2019



## Compliance Certificate

We have conducted the audit of accounts of The Engineering Projects (India) limited for the year ended 31st March, 2019 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 K P M C & Associates  
Chartered Accountants  
FRN : 005359C

Sd/-  
Pankaj Kumar  
(Partner)  
(Membership No. 073291)  
UDIN: 19073291AAAAAP6912

Place : New Delhi  
Date:16/07/2019



## Company's Reply on Auditors Qualification

| S.No.   | Auditor's Qualification  | Company's Reply |              |                            |                |   |                |   |                |   |                |                   |                |                            |                      |   |             |                       |                        |  |
|---|--|-----------------|--------------|----------------------------|----------------|---|----------------|---|----------------|---|----------------|-------------------|----------------|----------------------------|----------------------|---|-------------|-----------------------|------------------------|--|
| 1.  | <p>Balance of Trade Receivables, Loans &amp; 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="text-align: left;">Assets</th> <th style="text-align: right;">Amount (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Advances for Works</td> <td style="text-align: right;">33,70,43,770</td> </tr> <tr> <td>Security Deposits &amp; Retention Money/<br/>Receivables</td> <td style="text-align: right;">2,07,02,02,196</td> </tr> <tr> <td>Trade Receivables(non-current )</td> <td style="text-align: right;">60,13,57,993</td> </tr> <tr> <td>Trade Receivables (current)</td> <td style="text-align: right;">3,47,15,38,700</td> </tr> <tr> <td>Other Recoverable</td> <td style="text-align: right;">2,01,22,09,093</td> </tr> <tr> <td><b>Total Receivables</b></td> <td style="text-align: right;"><b>849,23,51,752</b></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>   | Assets          | Amount (Rs.) | Advances for Works         | 33,70,43,770   | Security Deposits & Retention Money/<br>Receivables | 2,07,02,02,196 | Trade Receivables(non-current )                 | 60,13,57,993   | Trade Receivables (current)                       | 3,47,15,38,700 | Other Recoverable | 2,01,22,09,093 | <b>Total Receivables</b>   | <b>849,23,51,752</b> | <p>The Practice of balance confirmations of Trade Receivables, Loans &amp; Advances, Client's 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> |             |                       |                        |  |
| Assets  | Amount (Rs.)   |                 |              |                            |                |   |                |   |                |   |                |                   |                |                            |                      |   |             |                       |                        |  |
| Advances for Works                                  | 33,70,43,770   |                 |              |                            |                |   |                |   |                |   |                |                   |                |                            |                      |   |             |                       |                        |  |
| Security Deposits & Retention Money/<br>Receivables | 2,07,02,02,196   |                 |              |                            |                |   |                |   |                |   |                |                   |                |                            |                      |   |             |                       |                        |  |
| Trade Receivables(non-current )                     | 60,13,57,993   |                 |              |                            |                |   |                |   |                |   |                |                   |                |                            |                      |   |             |                       |                        |  |
| Trade Receivables (current)                         | 3,47,15,38,700   |                 |              |                            |                |   |                |   |                |   |                |                   |                |                            |                      |   |             |                       |                        |  |
| Other Recoverable                                   | 2,01,22,09,093   |                 |              |                            |                |   |                |   |                |   |                |                   |                |                            |                      |   |             |                       |                        |  |
| <b>Total Receivables</b>                            | <b>849,23,51,752</b>   |                 |              |                            |                |   |                |   |                |   |                |                   |                |                            |                      |   |             |                       |                        |  |
| 2.  | <p>Balance of Trade Payables 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="text-align: left;">Liabilities</th> <th style="text-align: right;">Amount (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Trade Payables (Long Term)</td> <td style="text-align: right;">1,17,40,00,042</td> </tr> <tr> <td>Trade Payables (Current)</td> <td style="text-align: right;">4,94,94,21,033</td> </tr> <tr> <td>Security Deposits &amp; Retention<br/>Money Payables</td> <td style="text-align: right;">3,04,36,94,345</td> </tr> <tr> <td>Security Deposits &amp; Retention<br/>Money Payables ©</td> <td style="text-align: right;">61,10,76,884</td> </tr> <tr> <td>Clients advances</td> <td style="text-align: right;">33,86,74,080</td> </tr> <tr> <td>Clients advances (Current)</td> <td style="text-align: right;">3,73,44,24,661</td> </tr> <tr> <td>Other Payables to Clients</td> <td style="text-align: right;">1,40,85,298</td> </tr> <tr> <td><b>Total Payables</b></td> <td style="text-align: right;"><b>13,86,53,76,343</b></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> | Liabilities     | Amount (Rs.) | Trade Payables (Long Term) | 1,17,40,00,042 | Trade Payables (Current)                            | 4,94,94,21,033 | Security Deposits & Retention<br>Money Payables | 3,04,36,94,345 | Security Deposits & Retention<br>Money Payables © | 61,10,76,884   | Clients advances  | 33,86,74,080   | Clients advances (Current) | 3,73,44,24,661       | Other Payables to Clients   | 1,40,85,298 | <b>Total Payables</b> | <b>13,86,53,76,343</b> | <p>The Practice of balance confirmations of Trade Payables and others are consistently followed by the company from the last several years as per the practice followed across the industry.</p> |
| Liabilities   | Amount (Rs.)   |                 |              |                            |                |   |                |   |                |   |                |                   |                |                            |                      |   |             |                       |                        |  |
| Trade Payables (Long Term)                          | 1,17,40,00,042   |                 |              |                            |                |   |                |   |                |   |                |                   |                |                            |                      |   |             |                       |                        |  |
| Trade Payables (Current)                            | 4,94,94,21,033   |                 |              |                            |                |   |                |   |                |   |                |                   |                |                            |                      |   |             |                       |                        |  |
| Security Deposits & Retention<br>Money Payables     | 3,04,36,94,345   |                 |              |                            |                |   |                |   |                |   |                |                   |                |                            |                      |   |             |                       |                        |  |
| Security Deposits & Retention<br>Money Payables ©   | 61,10,76,884   |                 |              |                            |                |   |                |   |                |   |                |                   |                |                            |                      |   |             |                       |                        |  |
| Clients advances                                    | 33,86,74,080   |                 |              |                            |                |   |                |   |                |   |                |                   |                |                            |                      |   |             |                       |                        |  |
| Clients advances (Current)                          | 3,73,44,24,661   |                 |              |                            |                |   |                |   |                |   |                |                   |                |                            |                      |   |             |                       |                        |  |
| Other Payables to Clients                           | 1,40,85,298  |                 |              |                            |                |   |                |   |                |   |                |                   |                |                            |                      |   |             |                       |                        |  |
| <b>Total Payables</b>                               | <b>13,86,53,76,343</b>   |                 |              |                            |                |   |                |   |                |   |                |                   |                |                            |                      |   |             |                       |                        |  |



| S.No. | Auditor's Qualification   | Company's Reply   |
|-------|---|---|
| 3.    | <p>Total amount receivable from M/s Uranium Corporation of India Ltd (UCIL) on account of Trade receivable, Retention &amp; other recoverable stands at Rs. 23,68,95,695/- as on 31.03.2019. 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 4,43,77,000/- up to 31.03.2019. Thus, required provisioning is short by Rs. 19,25,18,695/- and consequently loss of the EPIL is understated by the same amount (Refer to Note No. 2.46(a).</p> | <p>As per accounting policy no 10 of the company, the provisioning is required in case of receivable are more than 10 years old. Since the project office has raised the final bill on UCIL on 14.06.2009 therefore outstanding amount is not falling and become due for payment thereafter, under the category of provisioning as at 31st March 2019. The Company has made vigorous efforts to realise the old outstanding dues from M/s Uranium Corporation of India Ltd (UCIL) . There had been series of meetings with senior management including CMD, UCIL in reference to the outstanding payment issues in this financial year also. An early settlement is expected.</p> |
| 4.    | <p>Disclosures required by Accounting Standard (AS)-7 (Construction Contracts), AS-18 (Related Party Disclosures) and AS-19 (Leases) are neither given by Regional Offices (RO) in their financial statements, nor commented upon by respective RO Auditors. Therefore, we at HO level are unable to form any opinion on proper disclosure on these Accounting Standards.</p>   | <p>The company as per past practice followed consistently from several years incorporating Accounting Standard (AS)-7 (Construction Contracts), AS-18 (Related Party Disclosures) and AS-19 (Leases) at Corporate office after considering the Audited financial statements of the branches.</p>  |



### 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.   | The operation of Myanmar Branch was started on 3rd May 2018. However, this fact had not disclosed in the financial statements by the Myanmar Branch. Further, Statement of Profit and Loss Account prepared for the full year 2018-19 instead of period from 03/05/2018 To 31/03/2019.  | Noted for Compliance.  |
| 3.   | In lieu of BG provided by EPIL for Rs. 45,54,00,000/- on behalf of C&C Constructions Limited in Myanmar Project, EPIL has received Rs. 10,12,36,194/- and balance is treated as secure against work done in Oman. Refer to Note no. 2.29(b)   | At the time of Issuance of BG by EPIL for Rs. 45.54 cr. on behalf of C&C Constructions Limited, EPIL has received Rs.10.12 Cr. against the said BG as security. Further an amount of USD 1 million (equivalent to INR approx. 7 cr. ) were taken from C&C Constructions, Myanmar. Thereafter, Rs.2 cr. has been withheld as security against the bills of OMAN project. Therefore, total security available with EPI as on date against the aforesaid BG is Rs. 19 cr. Further C&C Constructions has given undertaking to recover Rs. 2 cr from each bill of Myanmar Project till EPIL gets fully secured against the exposure of the said Bank Guarantee and in case of failure balance amount will be recovered from the Oman Project. |
| 4.   | 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  | Emphasis of matter is only a matter of fact, as on date no financial impact is envisaged.  |



| S.N. | Emphasis of Matter   | Replies of the Company  |
|------|--|---|
|      | facing insolvency proceedings in NCLT and matter is at advance stage. Outcome and its financial impact on EPIL'S Financial Statements is not ascertainable.  |   |
| 5.   | 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. | This does not have any bearing on the Financial Statements of the Company |



## STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019

(Amount in ₹)

|     | Particulars                                      | Note No.    | As at 31st March, 2019 |                       | As at 31st March, 2018 |                       |
|-----|--|-------------|------------------------|-----------------------|------------------------|-----------------------|
| I.  | <b>EQUITY AND LIABILITIES</b>                    |             |                        |                       |                        |                       |
| 1   | <b>Shareholders' Funds</b>                       |             |                        |                       |                        |                       |
|     | a) Share Capital                                 | 2.1         | <b>354,226,880</b>     |                       | 354,226,880            |                       |
|     | b) Reserves and Surplus                          | 2.2         | <b>1,622,206,136</b>   | <b>1,976,433,016</b>  | <u>1,952,456,493</u>   | 2,306,683,373         |
| 2   | <b>Share Application Money Pending Allotment</b> |             |                        | -                     |                        | -                     |
| 3   | <b>Non Current Liabilities</b>                   |             |                        |                       |                        |                       |
|     | a) Other Long - Term Liabilities                 | 2.3         | <b>4,570,453,765</b>   |                       | 4,074,044,815          |                       |
|     | b) Long - Term Provisions                        | 2.4         | <b>295,118,236</b>     | <b>4,865,572,001</b>  | <u>274,541,026</u>     | 4,348,585,841         |
| 4   | <b>Current Liabilities</b>                       |             |                        |                       |                        |                       |
|     | a) Short Term Borrowings                         | 2.5         | <b>588,546,889</b>     |                       | -                      |                       |
|     | b) Trade Payables                                | 2.6         |                        |                       |                        |                       |
|     | i) Due to MSME                                   |             | <b>18,257,846</b>      |                       | 5,761,885              |                       |
|     | ii) Due to Other than MSME                       |             | <b>4,931,163,187</b>   |                       | 4,945,186,136          |                       |
|     | c) Other Current Liabilities                     | 2.7         | <b>5,652,835,654</b>   |                       | 7,446,535,543          |                       |
|     | d) Short Term Provisions                         | 2.8         | <b>300,245,485</b>     | <b>11,491,049,061</b> | 262,242,097            | 12,659,725,661        |
|     | <b>Total</b>                                     |             |                        | <b>18,333,054,078</b> |                        | <u>19,314,994,875</u> |
| II. | <b>ASSETS</b>                                    |             |                        |                       |                        |                       |
| 1   | <b>Non current assets</b>                        |             |                        |                       |                        |                       |
|     | a) Tangible Assets                               |             |                        |                       |                        |                       |
|     | i) Property, Plant & Equipment                   | 2.9(i)      | <b>80,333,595</b>      |                       | 89,872,952             |                       |
|     | b) Intangible Assets                             | 2.9(ii)     | <b>2,584,987</b>       |                       | 6,040,573              |                       |
|     | c) Deferred Tax Assets (Net)                     | 2.10        | <b>196,499,931</b>     |                       | 158,838,339            |                       |
|     | d) Long Term Loans and Advances                  | 2.11        | <b>3,068,131,133</b>   |                       | 2,550,682,520          |                       |
|     | e) Other Non Current Assets                      | 2.12        | <b>2,613,567,086</b>   | <b>5,961,116,732</b>  | <u>2,538,519,259</u>   | 5,343,953,643         |
| 2   | <b>Current assets</b>                            |             |                        |                       |                        |                       |
|     | a) Current Investments                           | 2.13        | -                      |                       |                        |                       |
|     | b) Inventories                                   | 2.14        | <b>1,877,153</b>       |                       | 18,740,308             |                       |
|     | c) Trade Receivables                             | 2.15        | <b>3,471,538,700</b>   |                       | 3,610,991,289          |                       |
|     | d) Cash and cash equivalents                     | 2.16 (i)    | <b>2,602,355,590</b>   |                       | 3,510,982,464          |                       |
|     | e) Other Bank Balance                            | 2.16 (ii)   | <b>787,445,665</b>     |                       | 410,945,709            |                       |
|     | f) Short Term Loans and Advances                 | 2.17        | <b>1,903,736,891</b>   |                       | 3,058,686,197          |                       |
|     | g) Other Current Assets                          | 2.18        | <b>3,604,983,347</b>   | <b>12,371,937,346</b> | 3,360,695,265          | 13,971,041,232        |
|     | <b>Total</b>                                     |             |                        | <b>18,333,054,078</b> |                        | <u>19,314,994,875</u> |
|     | Significant Accounting Policies                  | 1           |                        |                       |                        |                       |
|     | Notes to accounts                                | 2.1 to 2.52 |                        |                       |                        |                       |

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

As per our report of even date attached  
For 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: 16th July 2019

Sd/-  
(Lekh Raj)  
Director (Finance)  
DIN 07794894

Sd/-  
(S.S. Rawat)  
Chairman & Managing Director  
(Additional Charge)  
DIN 07555572

Sd/-  
(N.K. Sharma)  
ED (Finance)

Sd/-  
(Deepika Mehta)  
Company Secretary



## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(Amount in ₹)

| Particulars |   | Note No.    | Year ended<br>31st March, 2019 | Year ended<br>31st March, 2018 |
|-------------|---|-------------|--------------------------------|--------------------------------|
| I.          | Revenue From Operations   | 2.19        | 17,910,486,804                 | 16,074,098,507                 |
| II.         | Other Income  | 2.20        | 51,751,171                     | 152,679,188                    |
| III.        | <b>Total Revenue ( I+II )</b>   |             | <b>17,962,237,975</b>          | <b>16,226,777,695</b>          |
| IV.         | <b>Expenses:</b>  |             |                                |                                |
|             | Operating Expenses  | 2.21        | 17,167,138,366                 | 15,014,694,282                 |
|             | Employee Benefits Expenses  | 2.22        | 762,054,377                    | 785,215,766                    |
|             | Finance Costs   | 2.23        | 50,147,981                     | 48,570,364                     |
|             | Depreciation & Amortisation Expenses  | 2.9         | 18,963,577                     | 15,467,875                     |
|             | Other Expenses  | 2.24        | 259,543,142                    | 326,710,361                    |
|             | <b>Total Expenses</b>   |             | <b>18,257,847,443</b>          | <b>16,190,658,648</b>          |
| V.          | <b>Profit/ (Loss) before prior period expenses, exceptional and extraordinary items and tax ( III-IV)</b> |             | <b>(295,609,468)</b>           | <b>36,119,047</b>              |
| VI.         | Prior Period Expenses (Net)   | 2.25        | 646,857                        | 18,987,494                     |
| VII.        | <b>Profit/ (Loss) before exceptional and extraordinary items and tax (V-VI)</b>                           |             | <b>(296,256,325)</b>           | <b>17,131,553</b>              |
| VIII.       | Exceptional Items   |             | -                              | -                              |
| IX.         | <b>Profit/ (Loss) before Extraordinary Items and Tax (VII-VIII)</b>                                       |             | <b>(296,256,325)</b>           | <b>17,131,553</b>              |
| X.          | Extraordinary Items   |             | -                              | -                              |
| XI.         | <b>Profit/(Loss) Before Tax ( IX-X)</b>   |             | <b>(296,256,325)</b>           | <b>17,131,553</b>              |
| XII.        | Tax Expense   |             |                                |                                |
|             | Current Tax   | 2.11        | 43,430,628                     | 8,469,635                      |
|             | Earlier Years Tax Adjustments (net)   |             | 28,224,996                     | (2,914,935)                    |
|             | Deferred Tax  |             | (37,661,592)                   | 10,222,957                     |
| XIII.       | <b>Profit/ (Loss) from Continuing Operations (XI-XII)</b>   |             | <b>(330,250,357)</b>           | <b>1,353,896</b>               |
| XIV.        | Profit / (Loss) from discontinuing Operations   |             | -                              | -                              |
| XV.         | Tax Expense of discontinuing Operations   |             | -                              | -                              |
| XVI.        | <b>Profit / (Loss) from discontinuing Operations (After Tax) (XIV-XV)</b>                                 |             | <b>-</b>                       | <b>-</b>                       |
| XVII.       | <b>Profit / (Loss) for the year (XIII+XVI)</b>  |             | <b>(330,250,357)</b>           | <b>1,353,896</b>               |
| XVIII.      | <b>Earnings Per Share (Basic &amp; Diluted)</b>   | 2.39        | <b>(9.32)</b>                  | <b>0.04</b>                    |
|             | Significant Accounting Policies   | 1           |                                |                                |
|             | Notes to Accounts   | 2.1 to 2.52 |                                |                                |

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

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

Sd/-  
(CA Pankaj Kumar)  
Partner  
Membership No. 073291  
Place: New Delhi  
Dated: 16th July 2019

For and on behalf of the Board of Directors

Sd/-  
(Lekh Raj)  
Director (Finance)  
DIN 07794894

Sd/-  
(S.S. Rawat)  
Chairman & Managing Director  
(Additional Charge)  
DIN 07555572

Sd/-  
(N.K. Sharma)  
ED (Finance)

Sd/-  
(Deepika Mehta)  
Company Secretary



## STANDALONE-CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

| PARTICULARS  | 2018-19              | 2017-18       |
|--|----------------------|---------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                               |                      |               |
| NET PROFIT BEFORE TAX  | (296,256,325)        | 17,131,553    |
| <b>ADJUSTMENTS FOR:</b>  |                      |               |
| - DEPRECIATION AND AMORTIZATION  | 18,963,577           | 15,467,875    |
| - LOSS/(PROFIT) ON SALE OF ASSETS (NET)                                  | 75,104               | 109,501       |
| - INTEREST ON FDs  | (7,336,407)          | (12,872,589)  |
| <b>EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY</b> |                      |               |
| - CASH & CASH EQUIVALENTS  |                      |               |
| <b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>                   | <b>(284,554,051)</b> | 19,836,340    |
| - DECREASE/( INCREASE) IN INVENTORIES                                    | 16,863,155           | 20,912,781    |
| - DECREASE/( INCREASE) IN UNBILLED REVENUE                               | (371,148,715)        | 279,825,041   |
| - DECREASE/( INCREASE) IN SUNDRY DEBTORS                                 | 26,743,169           | (685,511,814) |
| - DECREASE/( INCREASE) IN FDs UNDER LIEN                                 | (2,285,833)          | 66,944,272    |
| - DECREASE/( INCREASE) IN LOANS & ADVANCES                               | 652,772,453          | 834,536,889   |
| - INCREASE/( DECREASE) IN CURRENT LIABILITIES & PROVISIONS               | (555,753,543)        | 524,614,619   |
| <b>CASH GENERATED FROM OPERATIONS</b>                                    | <b>(517,363,366)</b> | 1,061,158,127 |
| - INCOME TAX   | (33,994,032)         | (15,777,657)  |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>                                | <b>(551,357,397)</b> | 1,045,380,470 |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                              |                      |               |
| - PURCHASE/CONSTRUCTION OF FIXED ASSETS                                  | (6,235,267)          | (12,172,954)  |
| - PROCEEDS FROM SALE OF ASSETS   | 191,529              | 111,640       |
| - INTEREST INCOME  | 22,988,386           | (17,024,787)  |
| - FDR WITH MATURITY MORE THAN 3 MONTH                                    | (374,214,125)        | (410,945,709) |
| NET CASH FROM INVESTING ACTIVITIES                                       | (357,269,476)        | (440,031,810) |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                               |                      |               |
| - FDR WITH MATURITY MORE THAN 3 MONTH                                    | -                    | -             |
| - DIVIDEND PAID  | -                    | -             |
| - DIVIDEND TAX PAID  | -                    | -             |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>                             | -                    | -             |
| <b>EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY</b> |                      |               |
| - CASH & CASH EQUIVALENTS  |                      |               |
| <b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>              | <b>(908,626,873)</b> | 605,348,661   |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR                   | 3,510,982,464        | 2,905,633,803 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR                         | 2,602,355,590        | 3,510,982,464 |
| <b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>                       |                      |               |
| CASH IN HAND (REFER NOTE NO 2.16)  | 15,205               | 200,309       |
| CHEQUES IN HAND (REFER NOTE NO 2.16)                                     | -                    | -             |
| REMITTANCE IN TRANSIT  | -                    | -             |
| "BALANCE WITH BANK'S IN CURRENT ACCOUNTS (REFER NOTE NO 2.16)"           | 512,063,218          | 990,057,946   |
| BALANCE WITH OTHER BANK'S FIXED DEPOSITS OTHER (REFER NOTE NO 2.16)      | 2,090,277,167        | 2,520,724,209 |
| CASH AND CASH EQUIVALENT   | 2,602,355,590        | 3,510,982,464 |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>                  | <b>2,602,355,590</b> | 3,510,982,464 |

**"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
- 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**

**Sd/-  
(CA Pankaj Kumar)  
Partner  
Membership No. 073291  
Place: New Delhi  
Dated: 16th July 2019**

**For and on behalf of the Board of Directors**

**Sd/-  
(Lekh Raj)  
Director (Finance)  
DIN 07794894**

**Sd/-  
(S.S. Rawat)  
Chairman & Managing Director  
(Additional Charge)  
DIN 07555572**

**Sd/-  
(N.K. Sharma)  
ED (Finance)**

**Sd/-  
(Deepika Mehta)  
Company Secretary**



## Notes to Standalone Financial Statement:-

(For the year ended 31<sup>st</sup> March 2019)

### 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.

#### **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           | <b>Building (Other than factory Building) RCC frame structure (NESD)</b>         | 1.58%                |
| 2           | <b>Others Temporary Construction (Including temporary structure etc.) (NESD)</b> | 31.67%               |
| 3           | <b>Plant and Machinery used in civil construction</b>                            |                      |
| 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           | <b>General Furniture and Fixture (NESD)</b>                                      | 9.50%                |
| 5           | <b>Office Equipments (NESD)</b>  | 19%                  |



|      |   |        |
|------|---|--------|
| 6    | <b>Computers and data processing units (NESD)</b>   |        |
| 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    | <b>Motor Vehicles (NESD)</b>  |        |
| 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 ₹)

| Share Capital  | As at<br>31st March 2019 | As at<br>31st March 2018 |
|--|--------------------------|--------------------------|
| <b>Authorised</b><br>90,94,04,600 Equity Shares of ₹ 10/- Each Fully Paid Up<br>(P.Y. 90,94,04,600 Equity Shares of ₹10/- Each Fully Paid Up)                          | <b>9,094,046,000</b>     | 9,094,046,000            |
| <b>Issued, Subscribed and Fully Paid up</b><br>3,54,22,688 Equity Shares of ₹ 10/- Each Fully Paid Up<br>(P.Y. 3,54,22,688 Equity Shares of ₹ 10/- Each Fully Paid Up) | <b>354,226,880</b>       | 354,226,880              |
| <b>Total</b>   | <b>354,226,880</b>       | 354,226,880              |

### Note 2.1 (A)

| Reconciliation of No. of Shares Outstanding | As at<br>31st March 2019 | As at<br>31st March 2018 |
|---|--------------------------|--------------------------|
|   | Number                   | Number                   |
| At the beginning of the year                | <b>3,54,22,688</b>       | 3,54,22,688              |
| <b>At the end of the year</b>               | <b>3,54,22,688</b>       | 3,54,22,688              |

### Note 2.1 (B)

| Number of Shares Held by Each Shareholder<br>holding More Than 5% | As at<br>31st March 2019 |                  | As at<br>31st March 2018 |                  |
|---|--------------------------|------------------|--------------------------|------------------|
|   | No. of<br>Shares         | % age<br>Holding | No. of<br>Shares         | % age<br>Holding |
| The President of India  | <b>3,54,15,677</b>       | <b>99.98</b>     | 3,54,15,677              | 99.98            |



## Note No. 2.2

(Amount in ₹)

| Reserve & Surplus                                 | As at<br>31st March 2019 | As at<br>31st March 2018 |
|---|--------------------------|--------------------------|
| <b>A) Capital Reserve</b>                         |                          |                          |
| Balance as at the beginning and end of the year   | <b>210,020</b>           | 210,020                  |
| <b>B) General Reserve</b>                         |                          |                          |
| Balance as at the beginning of the year           | <b>211,500,000</b>       | 211,500,000              |
| Add: Addition during the year                     | -                        | -                        |
| <b>Balance as at the end of the year</b>          | <b>211,500,000</b>       | 211,500,000              |
| <b>C) Surplus in Statement of Profit and Loss</b> |                          |                          |
| Balance as at the beginning of the year           | <b>1,740,746,473</b>     | 1,739,392,577            |
| Add: Profit/(Loss) for the year                   | <b>(330,250,357)</b>     | 1,353,896                |
| Less: Dividend Paid*                              | -                        | -                        |
| Less: Dividend Distribution Tax*                  | -                        | -                        |
| <b>Balance as at the end of the year</b>          | <b>1,410,496,116</b>     | 1,740,746,473            |
| <b>Total (A+B+C)</b>                              | <b>1,622,206,136</b>     | 1,952,456,493            |

\*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 due to insufficient distributable profits. As has been discussed with DIPAM, they have approved the exemption from payment of dividend for the FY 2017-18 and for the FY 2018-19 it is in the process of approval.



### Note No. 2.3

(Amount in ₹)

| Other Long Term Liabilities                          | As at<br>31st March 2019 | As at<br>31st March 2018 |
|--|--------------------------|--------------------------|
| Trade Payables                                       |                          |                          |
| - Micro, Small & Medium Enterprises *                | -                        | -                        |
| - Other Other than Micro, Small & Medium Enterprises | <b>1,174,000,042</b>     | 1,039,353,069            |
| Other Liabilities                                    |                          |                          |
| - Security Deposits & Retention Money #              | <b>3,043,694,345</b>     | 2,164,649,278            |
| -Advance Received from Clients                       | <b>338,674,080</b>       | 839,154,599              |
| - Other Payable to Clients                           | <b>14,085,298</b>        | 30,887,869               |
| <b>Total</b>   | <b>4,570,453,765</b>     | 4,074,044,815            |

\* In terms of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, the amount due to these enterprises are required to be disclosed. These enterprises are required to be registered under the Act. In the absence of the relevant information from most of the vendors about their registration, the required information cannot be properly ascertained.

# Includes an amount of ₹ 10.12 crore received by EPIL in lieu of Bank Guarantee provided by EPIL for ₹ 45.54 crore 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 ₹)

| Long Term Provisions                  | As at<br>31st March 2019 | As at<br>31st March 2018 |
|---------------------------------------|--------------------------|--------------------------|
| Employee Benefits                     |                          |                          |
| -Leave Encashment                     | 125,702,577              | 107,913,131              |
| -Long Service Award                   | 1,386,608                | 2,382,554                |
| -Post Retirement Medical Benefits     | 167,744,878              | 163,997,811              |
| -Post Retirement Travelling Allowance | 284,173                  | 247,530                  |
| <b>Total</b>                          | <b>295,118,236</b>       | 274,541,026              |



## Note No. 2.5

(Amount in ₹)

| Short Term Borrowing                  | As at<br>31st March 2019 | As at<br>31st March 2018 |
|---------------------------------------|--------------------------|--------------------------|
| Secured                               |                          |                          |
| - Loan Payable on Demand from Banks # | 89,050,000               | -                        |
| Unsecured                             |                          |                          |
| - Loan Payable on Demand from Banks * | 499,496,889              | -                        |
| <b>Total</b>                          | <b>588,546,889</b>       | -                        |

# amount of ₹8,90,50,000 (previous year Nil) towards overdraft against pledging the clients fixed deposit (i.e. out of the deposit money of client) amounting to ₹ 26,50,00,000 for meeting working capital requirement of the Company.

\*Amount of ₹ 49,94,96,889 (previous year Nil) towards clean cash credit against fund based limit with IOB Delhi.

## Note No. 2.6

(Amount in ₹)

| Trade Payables                                 | As at<br>31st March 2019 | As at<br>31st March 2018 |
|--|--------------------------|--------------------------|
| Trade Payables                                 |                          |                          |
| - Micro, Small & Medium Enterprises *          | 18,257,846               | 5,761,885                |
| - Other than Micro, Small & Medium Enterprises | 4,931,163,187            | 4,945,186,136            |
| <b>Total</b>                                   | <b>4,949,421,033</b>     | 4,950,948,021            |

\*In terms of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, the amount due to these enterprises are required to be disclosed. These enterprises are required to be registered under the Act. In the absence of the relevant information from most of the vendors about their registration, the required information cannot be properly ascertained. Based on information available with the company ₹ 1,82,57,846 (previous year ₹ 57,61,885) 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 ₹)

| Other Current Liabilities                    | As at<br>31st March 2019 | As at<br>31st March 2018 |
|--|--------------------------|--------------------------|
| Advance From Clients                         | 3,734,424,661            | 4,933,436,805            |
| Security Deposits, Retention & Earnest Money | 611,076,884              | 1,282,461,874            |
| Outstanding Liabilities                      | 100,186,554              | 44,772,826               |
| Other Payable to Clients                     | 52,570,000               | 91,982,646               |
| Advance Revenue for Works                    | 886,920,666              | 790,983,769              |
| Payable to Employees *                       | 10,760,979               | 11,657,987               |
| Statutory Liabilities                        | 256,895,910              | 291,239,636              |
| <b>Total</b>                                 | <b>5,652,835,654</b>     | <b>7,446,535,543</b>     |

\* During the year ended on 31.03.2019 an amount of ₹38,71,654 (previous year ₹44,64,159) related to Performance Related Pay is pending for release to certain employees.

## Note No. 2.8

(Amount in ₹)

| Short Term Provisions                     | As at<br>31st March 2019 | As at<br>31st March 2018 |
|---|--------------------------|--------------------------|
| Provision for Expected Loss (As per AS-7) | 137,547,903              | 45,660,155               |
| Provision for Income Tax (Foreign)        | 43,430,628               | 60,410,958               |
| Provision for Pay Revision (3rd PRC)#     | 73,579,750               | 54,303,797               |
| Employee Benefits                         |                          |                          |
| -Leave Encashment                         | 24,920,423               | 21,273,786               |
| -Gratuity                                 | 2,915,902                | 67,802,518               |
| -Long Service Award                       | 477,220                  | 683,721                  |
| -Post Retirement Medical Benefits         | 17,301,763               | 12,057,814               |
| -Post Retirement Travelling Allowance     | 71,896                   | 49,348                   |
| <b>Total</b>                              | <b>300,245,485</b>       | <b>262,242,097</b>       |

# Pursuant to the guidelines regarding pay revision (3rd PRC) w.e.f. 01.01.2017 provision of ₹ 1,92,75,953 (previous year ₹ 3,68,03,797) has been made in the books of accounts during FY 2018-19. The cumulative provision as at 31.03.2019 is ₹ 7,35,79,750 (previous year ₹ 5,43,03,797 as on 31.03.2018).



**Note No. 2.9 (i)**  
**Property, Plant & Equipments as on 31.03.2019**

(Amount in ₹)

| 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 2019 | As at 31st March 2018 |
| PROPERTY PLANT & EQUIPMENT  |                    |                  |                  |                           |                    |                   |                  |                    |                       |                       |
| LAND FREEHOLD               |                    | -                |                  | -                         |                    |                   |                  |                    | -                     |                       |
| LAND LEASEHOLD              | 1,615,856          |                  |                  | 1,615,856                 | 315,792            | 16,322            |                  | 332,114            | 1,283,742             | 1,300,064             |
| BUILDING FREEHOLD           | 4,687,325          | -                |                  | 4,687,325                 | 2,685,926          | 95,297            |                  | 2,781,223          | 1,906,102             | 2,001,399             |
| BUILDING LEASEHOLD*         | 66,712,979         |                  |                  | 66,712,979                | 25,201,670         | 1,277,666         |                  | 26,479,336         | 40,233,643            | 41,511,309            |
| COMPUTER AND EQUIPMENTS     | 48,600,852         | 814,922          | 615,080          | 48,800,694                | 41,009,956         | 3,101,781         | 527,369          | 43,584,368         | 5,216,326             | 7,590,896             |
| OFFICE AND OTHER EQUIPMENTS | 25,059,725         | 760,707          | 313,371          | 25,507,061                | 19,113,829         | 2,338,858         | 363,403          | 21,089,284         | 4,417,777             | 5,945,896             |
| CONSTRUCTION EQUIPMENTS     | 62,640,644         | -                |                  | 62,640,644                | 44,932,835         | 1,858,776         | (3)              | 46,791,614         | 15,849,030            | 17,707,809            |
| FURNITURES & FIXTURES       | 27,219,695         | 214,382          | 627,886          | 26,806,191                | 16,248,159         | 1,742,714         | 411,184          | 17,579,689         | 9,226,502             | 10,971,536            |
| VEHICLES                    | 7,421,984          |                  | 216,069          | 7,205,915                 | 4,577,941          | 632,801           | 205,300          | 5,005,442          | 2,200,473             | 2,844,043             |
| <b>TOTAL</b>                | <b>243,959,060</b> | <b>1,790,011</b> | <b>1,772,406</b> | <b>243,976,665</b>        | <b>154,086,108</b> | <b>11,064,215</b> | <b>1,507,253</b> | <b>163,643,070</b> | <b>80,333,595</b>     | <b>89,872,952</b>     |
| PREVIOUS YEAR               | 240,108,971        | 7,940,623        | 4,090,534        | 243,959,060               | 145,889,440        | 12,079,744        | 3,883,076        | 154,086,108        | 89,872,952            | -                     |

\* Conveyance deeds in respect of building at Scope Complex New Delhi included in fixed assets at a cost of ₹ 3,74,41,925 (previous year ₹ 3,74,41,925) is pending for execution in the name of Company.

**Note No. 2.9 (ii)**  
**Intangible assets as at 31.03.2019**

(Amount in ₹)

| 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 2019 | As at 31st March 2018 |
| INTANGIBLE ASSETS    |                   |                  |                  |                           |                   |                  |                  |                   |                       |                       |
| SOFTWARES (ACQUIRED) | 17,796,157        | 4,445,256        | 31,930           | 22,209,483                | 11,755,584        | 7,899,362        | 30,450           | 19,624,496        | 2,584,987             | 6,040,573             |
| <b>TOTAL</b>         | <b>17,796,157</b> | <b>4,445,256</b> | <b>31,930</b>    | <b>22,209,483</b>         | <b>11,755,584</b> | <b>7,899,362</b> | <b>30,450</b>    | <b>19,624,496</b> | <b>2,584,987</b>      | <b>6,040,573</b>      |
| PREVIOUS YEAR        | 13,803,752        | 4,232,331        | 239,926          | 17,796,157                | 8,593,695         | 3,388,131        | 226,242          | 11,755,584        | 6,040,573             | -                     |



## Note No. 2.10

(Amount in ₹)

| Deferred Tax Assets (Net)*              | As at<br>31st March 2019 | As at<br>31st March 2018 |
|---|--------------------------|--------------------------|
| Depreciation on Fixed Assets            | (6,069,040)              | (8,336,100)              |
| Provision for Doubtful Debts            | 109,732,306              | 112,078,286              |
| Provision for Employee Benefits (AS-15) | 46,911,664               | 39,846,958               |
| Other Disallowances                     | 45,925,001               | 15,249,195               |
| <b>Total</b>                            | <b>196,499,931</b>       | <b>158,838,339</b>       |

\* 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 ₹)

| Long term Loans and Advances                          | As at<br>31st March 2019 | As at<br>31st March 2018 |
|---|--------------------------|--------------------------|
| (Unsecured, Considered Good Unless Stated Otherwise)  |                          |                          |
| Advance for Works:                                    |                          |                          |
| -Mobilization Advance Secured Against BG              | 144,721,483              | 436,566,985              |
| -Secured against Material                             | 5,994,952                | -                        |
| -Other Advances                                       | 186,327,335              | 162,533,540              |
| Other Advances Considered Doubtful                    | 57,880,446               | 57,880,446               |
|   | <b>394,924,216</b>       | <b>656,980,971</b>       |
| Less: Allowance for Bad & Doubtful Advances           | 57,880,446               | 57,880,446               |
| Staff Loans & Advances                                | 1,294,643                | 2,331,230                |
| Security & Retention Money                            | 2,070,202,196            | 1,458,625,096            |
| Considered Doubtful                                   | 85,312,179               | 88,531,569               |
|   | <b>2,155,514,375</b>     | <b>1,547,156,665</b>     |
| Less: Allowance for Bad & Doubtful Recoveries         | 85,312,179               | 88,531,569               |
| Advance Tax /TDS Recoverable                          | 430,936,314              | 557,675,160              |
| Less: Provision for Income Tax                        | 74,945,696               | 269,798,903              |
| Advance Tax (Foreign)                                 | 51,941,323               | 51,941,323               |
| MAT Credit (A.Y. 2018-19)                             | -                        | 2,880,365                |
| Indirect Tax (Recoverable, Input Tax Credit, Advance) | 251,658,583              | 147,927,724              |
| <b>Total</b>  | <b>3,068,131,133</b>     | <b>2,550,682,520</b>     |



## Note No. 2.12

(Amount in ₹)

| Other Non Current Assets                      | As at<br>31st March 2019                | As at<br>31st March 2018     |
|---|---|------------------------------|
| Trade Receivables                             |   |                              |
| Unsecured Considered Good                     | <b>601,357,993</b>                      | 634,411,595                  |
| Considered Doubtful                           | <b>26,675,215</b>                       | 69,939,383                   |
|   | <b>628,033,208</b>                      | 704,350,978                  |
| Less: Allowance for Bad & Doubtful Recoveries | <b>26,675,215</b> <b>601,357,993</b>    | 69,939,383    634,411,595    |
| Other Assets                                  |   |                              |
| Recoverable from Clients, Vendors & Others    | <b>2,012,209,093</b>                    | 1,904,107,664                |
| Considered Doubtful                           | <b>158,829,458</b>                      | 119,373,159                  |
|   | <b>2,171,038,551</b>                    | 2,023,480,823                |
| Less: Allowance for Bad & Doubtful Recoveries | <b>158,829,458</b> <b>2,012,209,093</b> | 119,373,159    1,904,107,664 |
| <b>Total</b>                                  | <b>2,613,567,086</b>                    | 2,538,519,259                |

## Note No. 2.13

(Amount in ₹)

| Current Investments   | As at<br>31st March 2019 | As at<br>31st March 2018 |
|---|--------------------------|--------------------------|
| Investment in 51000 (P.Y. 51000) Equity Shares of Rs. 10/- Each Fully Paid up of EPI Urban Infra Developers Ltd. (Subsidiary Company) | <b>5,10,000</b>          | 5,10,000                 |
| Less Provision for Diminuation in Value of Investment.  | <b>(5,10,000)</b>        | (5,10,000)               |
| <b>Total</b>  | <b>-</b>                 | <b>-</b>                 |

## Note No. 2.14

(Amount in ₹)

| Inventories                       | As at<br>31st March 2019 | As at<br>31st March 2018 |
|-----------------------------------|--------------------------|--------------------------|
| Materials :(Lower of Cost or NRV) |                          |                          |
| -Steel                            | <b>1,836,355</b>         | <b>9,261,365</b>         |
| -Cement                           | <b>40,798</b>            | <b>1,862,625</b>         |
| -Pipes & Others                   | <b>-</b>                 | <b>7,616,318</b>         |
| <b>Total</b>                      | <b>1,877,153</b>         | 18,740,308               |



## Note No. 2.15

(Amount in ₹)

| Trade Receivables                             | As at<br>31st March 2019 | As at<br>31st March 2018 |
|---|--------------------------|--------------------------|
| Trade Receivables                             |                          |                          |
| Unsecured Considered Good Outstanding For:-   |                          |                          |
| - Less Than Six Months                        | <b>3,344,145,148</b>     | 3,517,500,639            |
| - More Than Six Months                        | <b>127,393,552</b>       | 93,490,650               |
| Considered Doubtful                           | -                        | -                        |
|   | <b>3,471,538,700</b>     | 3,610,991,289            |
| Less: Allowance for Bad & Doubtful Recoveries | -                        | -                        |
| <b>Total</b>                                  | <b>3,471,538,700</b>     | 3,610,991,289            |

## Note No. 2.16 (i)

(Amount in ₹)

| Cash and cash equivalents                      | As at<br>31st March 2019 | As at<br>31st March 2018 |
|--|--------------------------|--------------------------|
| Cash & Cash Equivalents                        |                          |                          |
| Balances With Banks                            |                          |                          |
| -In Current Accounts*                          | <b>512,063,218</b>       | 990,057,946              |
| -Fixed Deposit (With Maturity Upto 3 Months)** | <b>2,090,277,167</b>     | <b>2,520,724,209</b>     |
|  | <b>2,602,340,385</b>     | 3,510,782,155            |
| Cash on Hand                                   | <b>15,205</b>            | 200,309                  |
|  | <b>2,602,355,590</b>     | 3,510,982,464            |

## Note No. 2.16 (ii)

(Amount in ₹)

| other Bank Balances   | As at<br>31st March 2019 | As at<br>31st March 2018 |
|---|--------------------------|--------------------------|
| Fixed Deposits #<br>(With Maturity More Than 3 Months but less than 12 months ) | <b>29,545,665</b>        | 27,259,833               |
| Fixed Deposit **<br>(With Maturity More Than 3 Months but less than 12 months ) | <b>757,900,000</b>       | 383,685,876              |
| <b>Total</b>  | <b>787,445,665</b>       | 410,945,709              |



\*Out of the above Balance in Current Account ₹ 33,09,96,373 (previous year ₹ 49,98,89,671) is held as deposit on behalf of client.

\*\*Out of the above Balance in Fixed Deposits ₹ 274,52,06,575 (previous year ₹ 275,29,18,432) is held as deposit on behalf of client. Out of the above balance of fixed deposits amounting to ₹ 209,02,77,167 (previous year ₹ 2,52,07,24,209), FDRs of ₹ 26,50,00,000 (previous year Nil) is pledged with Dena Bank against overdraft taken from Dena Bank.

# As on 31.03.2019 Company has pledged fixed deposits amounting to ₹ 2,95,45,665 (Previous year ₹ 2,72,59,833) with clients/others on account of earnest money deposit/security deposit out of which fixed deposit of ₹ 71,96,747 (previous year ₹ 67,61,378), submitted to Client is under dispute, matter is sub-judice.

### Note No. 2.17

(Amount in ₹)

| Short Term Loan & Advances                            | As at<br>31st March 2019 | As at<br>31st March 2018 |
|---|--------------------------|--------------------------|
| (Unsecured, Considered Good Unless Stated Otherwise)  |                          |                          |
| Advance for Works:                                    |                          |                          |
| -Mobilization Advance Secured Against BG              | 1,007,035,682            | 1,618,728,799            |
| -Secured Against Material                             | 89,750,314               | 133,290,238              |
| -Other Advances                                       | 32,396,110               | 69,832,289               |
| Indirect Tax (Recoverable, Input Tax Credit, Advance) | 428,503,605              | 465,497,580              |
| Staff Loans & Advances                                | 2,603,222                | 3,651,806                |
| Security, Retention & Earnest Money Receivable        | 343,447,958              | 767,685,485              |
| <b>Total</b>  | <b>1,903,736,891</b>     | <b>3,058,686,197</b>     |

### Note No. 2.18

(Amount in ₹)

| Other Current Assets                          | As at<br>31st March 2019 | As at<br>31st March 2018 |
|---|--------------------------|--------------------------|
| Interest Accrued but not due on Bank Deposits | 23,664,164               | 39,316,143               |
| Prepaid Expenses                              | 67,757,570               | 87,267,847               |
| Recoverable from Clients, Vendors & Others    | 1,010,271,118            | 1,102,134,755            |
| Recoverable from Subsidiary Company           | 213,131                  | 47,871                   |
| Unbilled Revenue                              | 2,503,077,364            | 2,131,928,649            |
| <b>Total</b>                                  | <b>3,604,983,347</b>     | <b>3,360,695,265</b>     |



## Note No. 2.19

(Amount in ₹)

| Revenue From Operations | For the Year ended<br>31st March 2019 | For the Year ended<br>31st March 2018 |
|-------------------------|---------------------------------------|---------------------------------------|
| Value of Work Done      | 17,896,705,983                        | 16,071,439,585                        |
| Other Operating Income  | 13,780,821                            | 2,658,922                             |
| <b>Total</b>            | <b>17,910,486,804</b>                 | <b>16,074,098,507</b>                 |

## Note No. 2.20

(Amount in ₹)

| Other Income   | For the Year ended<br>31st March 2019 | For the Year ended<br>31st March 2018 |
|--|---------------------------------------|---------------------------------------|
| Interest Income earned on<br>Deposits with Bank        | 7,336,407                             | 12,872,589                            |
| Staff Advances   | 134,608                               | 226,098                               |
| Other (Sub Contractor /Clients /I. T. Refund)          | 19,031,280                            | 61,287,080                            |
| Other non-Operating Income                             |                                       | 74,385,767                            |
| Unspent Liabilities/ Balances Written Back             | 5,859,771                             | 8,473,850                             |
| Miscellaneous Income                                   | 14,947,974                            | 19,951,449                            |
| Reversal of Provision for Expected<br>Loss as per AS-7 | 4,441,131                             | 49,868,122                            |
|  | 25,248,876                            | 78,293,421                            |
| <b>Total</b>   | <b>51,751,171</b>                     | <b>152,679,188</b>                    |

## Note No. 2.21

(Amount in ₹)

| Operating Expenses                        | For the Year ended<br>31st March 2019 | For the Year ended<br>31st March 2018 |
|---|---------------------------------------|---------------------------------------|
| Civil, Mechanical, Electrical Works       | 16,958,143,053                        | 14,895,069,195                        |
| Design & Consultancy Charges              | 33,825,832                            | 58,423,775                            |
| Other Direct Expenditure                  | 65,390,002                            | 58,683,273                            |
| Provision for Expected Loss (As per AS-7) | 98,175,271                            | -                                     |
| Claims Paid                               | 10,359,904                            | 2,056,189                             |
| Royalty                                   | 1,244,304                             | 461,850                               |
| <b>Total</b>                              | <b>17,167,138,366</b>                 | <b>15,014,694,282</b>                 |



## Note No. 2.22

(Amount in ₹)

| Employee Remuneration and Benefits            | For the Year ended<br>31st March 2019 | For the Year ended<br>31st March 2018 |
|---|---------------------------------------|---------------------------------------|
| Salary & Allowances #                         | 590,215,570                           | 594,862,128                           |
| Contribution to Provident & Gratuity Funds \$ | 46,643,701                            | 108,560,788                           |
| Staff Welfare Expenses *                      | 125,195,106                           | 81,792,850                            |
| <b>Total</b>                                  | <b>762,054,377</b>                    | <b>785,215,766</b>                    |

# Salary & Allowances includes a provision of ₹ 1,92,75,953 (previous year ₹ 3,68,03,797) created on account of Pay Revision (3rd PRC).

\$ Includes an amount of ₹ 25,27,384 (previous year ₹ 45,915) 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 ₹)

| Finance Cost            | For the Year ended<br>31st March 2019 | For the Year ended<br>31st March 2018 |
|-------------------------|---------------------------------------|---------------------------------------|
| <b>Interest Paid to</b> |                                       |                                       |
| - Bank                  | 20,340,248                            | 3,982,232                             |
| - Others                | 29,807,733                            | 44,588,132                            |
| <b>Total</b>            | <b>50,147,981</b>                     | <b>48,570,364</b>                     |



## Note No. 2.24

(Amount in ₹)

| Other Expenses  | For the Year ended<br>31st March 2019 | For the Year ended<br>31st March 2018 |
|---|---------------------------------------|---------------------------------------|
| Printing & Stationery                                   | 6,711,723                             | 8,434,043                             |
| Rates & Taxes   | 6,177,667                             | 5,901,778                             |
| Postage & Telecommunication                             | 11,024,430                            | 13,497,727                            |
| Repair & Maintenance                                    |                                       |                                       |
| Office  | 32,990,096                            | 35,368,297                            |
| Building  | 7,652,920                             | 1,463,237                             |
| Other Fixed Assets                                      | 81,952                                | 107,577                               |
| Water Power & Fuel charges                              | 9,577,721                             | 11,597,149                            |
| Tendering Expenses                                      | 1,800,587                             | 1,475,897                             |
| Advertisement & Publicity                               | 2,505,878                             | 6,736,146                             |
| Legal & Professional Charges                            | 31,318,527                            | 31,138,705                            |
| Advisors On Contract                                    | 1,006,904                             | 5,051,458                             |
| Insurance   | 3,210,927                             | 4,108,134                             |
| Entertainment   | 1,237,767                             | 1,461,336                             |
| Bank Charges  | 10,458,446                            | 13,121,324                            |
| Vehicle Running & Maintenance                           | 1,910,302                             | 2,679,674                             |
| Manpower Development                                    | 1,940,515                             | 138,182                               |
| Loss on sale of Fixed Assets                            | 75,104                                | 109,501                               |
| Sponsorship Fee   | -                                     | 115,000                               |
| Travelling & Other Incidental Expenses (Domestic) \$    | 58,058,083                            | 67,527,190                            |
| Travelling & Other Incidental Expenses (Foreign)        | 4,904,064                             | 4,616,831                             |
| CSR & Sustainability *                                  | -                                     | 48,000                                |
| Auditor's Remuneration @                                | 1,818,210                             | 1,665,163                             |
| Business Promotion                                      | 2,844,365                             | 49,903,818                            |
| Office Rent   | 12,012,390                            | 11,419,024                            |
| Computer Expenses                                       | 5,843,168                             | 4,187,130                             |
| Membership & Subscription Fee                           | 168,290                               | 307,762                               |
| Filing & Registration Fee                               | 747,996                               | 37,555                                |
| Provision for Doubtful Debts, Loans & Advances & Others | 46,981,270                            | 41,301,295                            |
| Amounts Written off for Doubtful Recovery               | 583,160                               | 2,946,497                             |
| Foreign Exchange Variation (Gain)/ Loss                 | (8,076,745)                           | (11,133,710)                          |
| Miscellaneous Expenses                                  | 3,977,425                             | 11,378,641                            |
| <b>Total</b>  | <b>259,543,142</b>                    | <b>326,710,361</b>                    |

\$ Travelling and other incidental expenses includes ₹ 68,00,684 towards site living hardship expenses (previous year ₹ 80,62,540) and travelling expenses of directors ₹ 21,60,754 (previous year ₹ 21,17,309).

\* 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 ₹ 1,33,000 (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 ₹)

| Auditors' Remuneration             | For the Year ended<br>31st March 2019 | For the Year ended<br>31st March 2018 |
|------------------------------------|---------------------------------------|---------------------------------------|
| Audit Fee #                        | 1,449,518                             | 1,259,375                             |
| Tax Audit #                        | 320,692                               | 293,088                               |
| Other Services (Certification fee) | 48,000                                | 102,600                               |
| Other Expenses                     | -                                     | 10,100                                |
| <b>Total</b>                       | <b>1,818,210</b>                      | <b>1,665,163</b>                      |

# Auditors Remuneration are recorded without GST amount.

**Note No. 2.25**

(Amount in ₹)

| Prior Period Adjustments (Net)     | For the Year ended<br>31st March 2019 | For the Year ended<br>31st March 2018 |
|------------------------------------|---------------------------------------|---------------------------------------|
| Income                             |                                       |                                       |
| Operating Income                   | -                                     | -                                     |
| Other Income                       | 1,581,792                             | -                                     |
| Less: Expenses                     |                                       |                                       |
| Operating Expenses                 | 999,046                               | 16,692,000                            |
| Employee Remuneration and Benefits | -                                     | -                                     |
| Depreciation                       | -                                     | -                                     |
| Others                             | 1,229,603                             | 2,295,494                             |
| <b>Total</b>                       | <b>(646,857)</b>                      | <b>(18,987,494)</b>                   |

**Note No. 2.26**

(Amount in ₹)

| Contingent Liabilities and Commitments                 |   | As at 31.03.19 | As at 31.03.18 |
|--|---|----------------|----------------|
| 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*                          | 4,65,45,33,142 | 3,40,41,18,879 |
| b  | In respect of cases where awards are published in favour of company but defendants have gone to appeal.*                                | 60,97,00,996   | 18,33,39,791   |
| 2  | In respect of Income Tax/ Sales Tax / Works Contract Tax/ Service Tax demand in respect of completed assessments under dispute/appeals# | 50,02,42,916   | 47,85,53,255   |
| 3  | In respect of Guarantees issued on behalf of Client   | 1,42,54,453    | 1,42,54,453    |

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

# An amount of ₹ 45,11,772 has been deposited against the above disputed demand.



## Note No. 2.27

Estimated amount of contracts remaining to be executed on Development of Intangible Asset and not provided for ₹ 79,95,000 (previous year ₹ 64,05,196) on account of implementation of ERP and amount of ₹ 37,37,256 has been capitalised during FY 2018-19 in this respect.

## Note No. 2.28

### Expenditure in Foreign Currency:

(Amount in ₹)

| Sl.No. | Particulars                                | Year ended 31.03.19    | Year ended 31.03.18   |
|--------|--|------------------------|-----------------------|
| 1      | Operational Expenditure                    | 10,66,69,81,771        | 7,38,58,20,302        |
| 2      | Professional & Consultancy Charges         | 13,53,103              | 1,56,89,866           |
| 3      | Foreign Exchange Fluctuation Loss          | 9,77,405               | 77,779                |
| 4      | Purchase of Fixed Assets                   | 4,31,636               | 2,00,991              |
| 5      | <b>Administrative &amp; Other Expenses</b> |                        |                       |
| a      | Travel                                     | 90,60,075              | 1,12,29,660           |
| b      | Tendering Expenses                         | -                      | 38,916                |
| c      | Others                                     | 7,51,85,556            | 5,14,23,150           |
|        | <b>Total</b>                               | <b>10,75,39,89,546</b> | <b>7,46,44,80,664</b> |

### Earning in foreign currency:

(Amount in ₹)

| Sl.No. | Particulars                       | Year ended 31.03.19    | Year ended 31.03.18   |
|--------|-----------------------------------|------------------------|-----------------------|
| 1      | Work Receipts                     | 11,16,14,95,122        | 7,95,44,96,532        |
| 2      | Interest Income                   | 52,54,063              | 6,74,734              |
| 3      | Foreign Exchange Fluctuation Gain | 90,54,150              | 1,07,21,332           |
| 4      | Others                            | 2,04,886               | 40,15,006             |
|        | <b>Total</b>                      | <b>11,17,60,08,221</b> | <b>7,96,99,07,604</b> |

Foreign exchange remitted from Oman ₹ 56,30,90,474 equivalent USD 80,75,000 during the financial year 2018-19 (previous year ₹ 43,01,98,234 equivalent USD 66,90,000).

## Note No. 2.29

- a) Company has utilised non fund based credit limits of ₹ 5,99,94,68,247 (Previous year ₹ 713,75,06,067) against sanctioned limit of ₹ 759,86,00,000 (previous year ₹ 962,80,10,485) from various banks without any security. This includes ₹ 75,90,00,000 towards project to be executed in Myanmar by EPI-C&C JV, which includes ₹ 45,54,00,000 towards bank guarantee issued on behalf of its lead partner i.e. C&C Constructions Limited and ₹ 30,36,00,000 on its own behalf.
- b) In lieu of BG provided by EPIL for ₹ 45,54,00,000 on behalf of C&C Constructions Limited in Myanmar Project, EPIL has received ₹ 10,12,36,194 and balance is secured against work done in Oman.



## 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 ₹)

| Particulars   | Current Year                 |                        |                    |                        | Previous Year                |                       |                    |                        |
|---|------------------------------|------------------------|--------------------|------------------------|------------------------------|-----------------------|--------------------|------------------------|
|   | Domestic                     | Foreign                | Un-allocated       | Total                  | Domestic                     | Foreign               | Un-allocated       | Total                  |
| <b>Type of Business</b>   | <b>Construction</b>          |                        |                    |                        | <b>Construction</b>          |                       |                    |                        |
| Revenue from Operation  | 6,74,89,91,682               | 11,16,14,95,122        | -                  | 17,91,04,86,804        | 8,11,96,01,975               | 7,95,44,96,532        | -                  | 16,07,40,98,507        |
| Other Income  | 3,46,45,247                  | 54,58,949              | 1,16,46,975        | 5,17,51,171            | 13,45,89,467                 | 46,89,740             | 1,33,99,981        | 15,26,79,188           |
| <b>Total Income</b>   | <b>6,78,36,36,929</b>        | <b>11,16,69,54,071</b> | <b>1,16,46,975</b> | <b>17,96,22,37,975</b> | <b>8,25,41,91,442</b>        | <b>7,95,91,86,272</b> | <b>1,33,99,981</b> | <b>16,22,67,77,695</b> |
| Results   |                              |                        |                    |                        |                              |                       |                    |                        |
| Profit before Interest, Depreciation and Tax                        | (27,89,07,380)               | 24,64,12,177           | (19,46,49,564)     | (22,71,44,767)         | 7,48,85,635                  | 42,11,63,853          | (41,48,79,697)     | 8,11,69,791            |
| Interest  | 1,72,11,612                  | -                      | 3,29,36,369        | 5,01,47,981            | 4,46,16,614                  | 3,350                 | 39,50,400          | 4,85,70,364            |
| Depreciation  | 59,79,738                    | 7,84,710               | 1,21,99,129        | 1,89,63,577            | 63,46,411                    | 7,69,907              | 83,51,557          | 1,54,67,875            |
| Profit before Tax   | (30,20,98,730)               | 24,56,27,467           | (23,97,85,062)     | (29,62,56,325)         | 2,39,22,610                  | 42,03,90,596          | (42,71,81,653)     | 1,71,31,553            |
| Profit After Tax  | (30,20,98,730)               | 20,21,96,839           | (23,03,48,466)     | (33,02,50,357)         | 2,39,22,610                  | 35,99,79,638          | (38,25,48,352)     | 13,53,896              |
| Capital Expenditure Addition to Tangible and Intangible Assets)     | 10,27,592                    | 3,31,636               | 48,76,039          | 62,35,267              | 60,27,382                    | 2,00,991              | 59,44,581          | 1,21,72,954            |
| <b>Other Information</b>  | <b>As at 31st March 2019</b> |                        |                    |                        | <b>As at 31st March 2018</b> |                       |                    |                        |
| Total Assets  | 11,53,77,77,338              | 5,06,41,31,070         | 1,73,11,45,670     | 18,33,30,54,078        | 11,60,32,84,923              | 5,43,25,60,618        | 2,27,91,49,334     | 19,31,49,94,875        |
| Property, Plant and Equipment & Intangible Assets (Carrying Amount) | 2,77,06,446                  | 35,05,394              | 5,17,06,742        | 8,29,18,582            | 3,26,75,756                  | 41,22,197             | 5,91,15,572        | 9,59,13,525            |
| Total Liabilities   | 10,18,10,68,168              | 5,10,59,11,037         | 1,06,96,41,857     | 16,35,66,21,062        | 11,02,31,28,763              | 5,49,86,49,817        | 48,65,32,922       | 17,00,83,11,502        |

## Note No. 2.31

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

(Amount in ₹)

| Sl. No. | Particulars  | As at 31.03.2019         | As at 31.03.2018 |
|---------|--|--------------------------|------------------|
| 1       | Revenue from operations  | <b>17,91,04,86,804</b>   | 16,07,40,98,507  |
| 2       | Contract costs incurred and profit recognised upto the reporting date                                | <b>1,11,30,58,86,681</b> | 97,90,36,11,580  |
| 3       | Advances received  | <b>4,07,30,98,741</b>    | 5,77,25,91,404   |
| 4       | Gross amount due from customers for contract work-presented as an asset (Unbilled Revenue)           | <b>2,50,30,77,364</b>    | 2,13,19,28,649   |
| 5       | Gross amount due to customers for contract work-presented as a liability. (Advance Revenue for Work) | <b>88,69,20,666</b>      | 79,09,83,769     |
| 6       | Retention money Receivable   | <b>2,00,83,98,466</b>    | 1,84,77,37,062   |

Management has made an assessment and found that fresh provision of ₹ 9,81,75,271 required to be created on account of expected future loss on various projects in accordance with AS-7 issued by ICAI. However provision of ₹ 44,41,131 made in earlier years for expected loss has been reversed during the year.



## Note No. 2.32

### Details of Employee benefits as per AS-15:-

i) Changes in defined benefit obligation

(Amount in ₹)

| 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   | 7.50%<br>(7.85%)        | 7.50%<br>(7.85%)               | 7.50%<br>(7.85%)        | 7.80%<br>(7.85%)  | 7.50%<br>(7.85%)                 |
| Rate of increase in compensation levels/<br>Premuim Inflation/ Cost of Travel | 5.00%                   | 5.00%                          | -                       | 0.50%   | 3.00%                            |
| Expected rate of return on assets   | 7.50%<br>(7.85%)        | -                              | -                       | -   | -                                |
| Retirement Age *  | 60 years                | 60 years                       | 60 years                | 60 years  | 60 years                         |
| Mortality Table*  | IALM (2006-08) Ultimate | IALM (2006-08) Ultimate        | IALM (2006-08) Ultimate | Pre-retirement: IALM (2006-08) Ultimate<br>Post Retirement: LIC (1996-98) Ult | IALM (2006-08) 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 | 18,74,03,962<br>(12,83,38,870) | 12,91,86,917<br>(13,47,23,447) | 30,66,275<br>(44,87,540)  | 17,60,55,625<br>(18,46,51,434)  | 2,96,878<br>(7,84,605)           |
| Current service cost                                  | 79,35,479<br>(84,03,139)       | 89,95,901<br>(80,48,040)       | 73,420<br>(3,27,967)      | 62,66,405<br>(71,36,293)        | 22,932<br>(55,879)               |
| Interest cost   | 1,36,91,482<br>(95,17,860)     | 93,06,177<br>(95,03,991)       | 2,13,867<br>(3,24,496)    | 1,33,47,097<br>(1,34,85,962)    | 21,368<br>(54,994)               |
| Actuarial (Gain)/loss                                 | (1,01,57,565)<br>((1214116))   | 3,36,64,696<br>(8858597)       | (7,95,744)<br>((1548254)) | 1,65,71,112<br>((4712548))      | 1,18,004<br>((571385))           |
| Acquisition adjustment                                | -<br>-                         | -<br>-                         | -<br>-                    | -<br>-                          | -<br>-                           |
| Benefits Paid   | (2,59,80,355)<br>((17656355))  | (3,05,30,691)<br>((31947158))  | (6,93,990)<br>((525474))  | (2,71,93,598)<br>((24505516))   | (1,03,113)<br>((27215))          |
| Past Service Cost                                     | -<br>(6,00,14,564)             |                                |                           |                                 |                                  |
| Projected Benefit Obligation at end of year           | 17,28,93,003<br>(18,74,03,962) | 15,06,23,000<br>(12,91,86,917) | 18,63,828<br>(30,66,275)  | 18,50,46,641<br>(17,60,55,625)  | 3,56,069<br>(2,96,878)           |

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

(Amount in ₹)

| Particulars   | 2018-19       | 2017-18       |
|---|---------------|---------------|
|   | (Funded)      | (Funded)      |
| Fair value of Plan Assets as at beginning of the year | 11,96,01,444  | 12,40,12,636  |
| Expected Return on Plan Assets                        | 86,80,452     | 84,77,577     |
| Actual Contributions                                  | 6,78,02,518   | 43,26,234     |
| Actuarial Gain / (Loss)                               | (1,26,958)    | 4,41,352      |
| Benefits Paid   | (2,59,80,355) | (1,76,56,355) |
| Acquisition Adjustment                                | -             | -             |
| Fair value of Plan Assets as at end of the year       | 16,99,77,101  | 1,19,60,144   |



iii) Amount recognized in the Balance Sheet

(Amount in ₹)

| 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      | 17,28,93,003<br>(18,74,03,962) | 15,06,23,000<br>(12,91,86,917)     | 18,63,828<br>(30,66,275)     | 18,50,46,641<br>(17,60,55,625)     | 3,56,069<br>(2,96,878)           |
| Fair value of plan assets as at end of year        | 16,99,77,101<br>(11,96,01,444) | -<br>-                             | -<br>-                       | -<br>-                             | -<br>-                           |
| Funded Status Asset / (Liability)                  | (29,15,902)<br>((6,78,02,518)) | (15,06,23,000)<br>((12,91,86,917)) | (18,63,828)<br>((30,66,275)) | (18,50,46,641)<br>((17,60,55,625)) | (3,56,069)<br>((2,96,878))       |
| Net (Liability)/ Asset recognized in Balance Sheet | (29,15,902)<br>((6,78,02,518)) | (15,06,23,000)<br>((12,91,86,917)) | (18,63,828)<br>((30,66,275)) | (18,50,46,641)<br>((17,60,55,625)) | (3,56,069)<br>((2,96,878))       |

iv) Expenses recognized in the Profit and Loss Account

(Amount in ₹)

| 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                                | 79,35,479<br>(84,03,139)        | 89,95,901<br>(80,48,040)       | 73,420<br>(3,27,967)         | 62,66,405<br>(71,36,293)        | 22,932<br>(55,879)               |
| Interest cost                                       | 1,36,91,482<br>(95,17,860)      | 93,06,177<br>(95,03,991)       | 2,13,867<br>(3,24,496)       | 1,33,47,097<br>(1,34,85,962)    | 21,368<br>(54,994)               |
| Expected return on Plan Assets                      | (86,80,452)<br>((84,77,577))    | -<br>-                         | -<br>-                       | -<br>-                          | -<br>-                           |
| Net actuarial (Gain)/ Loss recognized in the period | (1,00,30,607)<br>((1,65,54,68)) | 3,36,64,696<br>(88,58,597)     | (7,95,744)<br>((1,54,82,54)) | 1,65,71,112<br>((4,71,25,48))   | 1,18,004<br>((5,71,385))         |
| Past Service Cost                                   | -<br>(6,00,14,564)              | -<br>-                         | -<br>-                       | -<br>-                          | -<br>-                           |
| Expenses recognized in the P & Loss A/c             | 29,15,902<br>(6,78,02,518)      | 5,19,66,774<br>(2,64,10,628)   | (5,08,457)<br>((8,95,791))   | 3,61,84,614<br>(1,59,09,707)    | 1,62,304<br>((4,60,512))         |



**(i) Comparative Data of last five years - Gratuity**

(Amount in ₹)

| S. No. | Particulars   | 31.03.19     | 31.03.18       | 31.03.17     | 31.03.16     | 31.03.15     |
|--------|---|--------------|----------------|--------------|--------------|--------------|
| a)     | Defined benefit obligation at the end of period         | 17,28,93,003 | 18,74,03,962   | 12,83,38,870 | 13,74,34,160 | 13,98,97,910 |
| b)     | Plan asset at the end of period                         | 16,99,77,101 | 11,96,01,444   | 12,40,12,636 | 12,98,03,738 | 13,54,84,798 |
| c)     | Funded Status   | ( 29,15,902) | ( 6,78,02,518) | ( 43,26,234) | ( 76,30,422) | ( 44,13,112) |
| d)     | Experience adjustment on plan Liabilities (loss) / gain | ( 29,15,902) | ( 6,78,02,518) | ( 43,26,234) | ( 76,30,422) | ( 44,13,112) |

**(i) Comparative Data of last five years - Leave encashment**

(Amount in ₹)

| S. No. | Particulars                                       | 31.03.19       | 31.03.18        | 31.03.17       | 31.03.16        | 31.03.15       |
|--------|---|----------------|-----------------|----------------|-----------------|----------------|
| a)     | Defined benefit obligation at the end of period   | 15,06,23,000   | 12,91,86,917    | 1 3,47,23,447  | 13,22,99,042    | 12,80,71,143   |
| b)     | Fair value of Plan asset at the end of period     | -              | -               | -              | -               | -              |
| c)     | Funded Status                                     | (15,06,23,000) | ( 12,91,86,917) | (13,47,23,447) | ( 13,22,99,042) | (12,80,71,143) |
| d)     | Net (Laibility)/Asset recognized in Balance Sheet | (15,06,23,000) | ( 12,91,86,917) | (13,47,23,447) | ( 13,22,99,042) | (12,80,71,143) |

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

(Amount in ₹)

| S. No. | Particulars                                       | 31.03.19     | 31.03.18     | 31.03.17     | 31.03.16     | 31.03.15     |
|--------|---|--------------|--------------|--------------|--------------|--------------|
| a)     | Defined benefit obligation at the end of period   | 18,63,828    | 30,66,275    | 44,87,540    | 51,49,456    | 61,76,600    |
| b)     | Fair value of Plan asset at the end of period     | -            | -            | -            | -            | -            |
| c)     | Funded Status                                     | ( 18,63,828) | ( 30,66,275) | ( 44,87,540) | ( 51,49,456) | ( 61,76,600) |
| d)     | Net (Laibility)/Asset recognized in Balance Sheet | ( 18,63,828) | ( 30,66,275) | ( 44,87,540) | ( 51,49,456) | ( 61,76,600) |



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

(Amount in ₹)

| S. No. | Particulars                                       | 31.03.19       | 31.03.18        | 31.03.17       | 31.03.16        | 31.03.15       |
|--------|---|----------------|-----------------|----------------|-----------------|----------------|
| a)     | Defined benefit obligation at the end of period   | 18,50,46,641   | 17,60,55,625    | 1 8,46,51,434  | 17,03,64,891    | 12,87,94,211   |
| b)     | Fair value of Plan asset at the end of period     | -              | -               | -              | -               | -              |
| c)     | Funded Status                                     | (18,50,46,641) | ( 17,60,55,625) | (18,46,51,434) | ( 17,03,64,891) | (12,87,94,211) |
| d)     | Net (Laibility)/Asset recognized in Balance Sheet | (18,50,46,641) | ( 17,60,55,625) | (18,46,51,434) | ( 17,03,64,891) | (12,87,94,211) |

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

(Amount in ₹)

| S. No. | Particulars                                       | 31.03.19    | 31.03.18    | 31.03.17    | 31.03.16    | 31.03.15 |
|--------|---|-------------|-------------|-------------|-------------|----------|
| a)     | Defined benefit obligation at the end of period   | 3,56,069    | 2,96,878    | 7,84,605    | 2,72,939    | -        |
| b)     | Fair value of Plan asset at the end of period     | -           | -           | -           | -           | -        |
| c)     | Funded Status                                     | ( 3,56,069) | ( 2,96,878) | ( 7,84,605) | ( 2,72,939) | -        |
| d)     | Net (Laibility)/Asset recognized in Balance Sheet | ( 3,56,069) | ( 2,96,878) | ( 7,84,605) | ( 2,72,939) | -        |

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 N. Sivanand, Joint Secretary, DHI was holding the additional charge of Chairman and Managing Director w.e.f. 15.06.2017 up to 14.09.2018. Shri N. Sivanand, CMD (Addl. Charge) was also entrusted with the additional charge of the post of Director (Projects) by DHI w.e.f. 01.07.2018 up to 14.09.2018. Thereafter 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.
- (ii) Key Management Personnel with whom there were transactions during the year:
- Shri Lekh Raj, Director (Finance) (w.e.f. 13.04.2017).
  - Shri S.P.S. Bakshi, Chairman-cum-Managing Director (under suspension w.e.f. 20.03.2017 and superannuated on 30.09.2018)
  - Shri Vinoo Gopal, Director (Projects) (superannuated on 30.06.2018).
  - Shri Sushant Baliga, Part-Time Non-Official Director (Reappointed w.e.f 17.11.2018)
  - Dr. Anita Chaudhary, Part-Time Non-Official Director (Reappointed w.e.f 30.11.2018)
  - Smt. Sudha Venkata Vardhan, Company Secretary (Resigned on 1.10.2018)
  - Smt. Deepika Mehta , Company Secretary (Appointed w.e.f 1.10.2018)
- 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 ₹)

| Particulars   | As on 31st March 2019 | As on 31st March 2018 | Nature |
|---|-----------------------|-----------------------|--------|
| Opening Balance (Amount Recoverable) {A}                      | 47,871                | 69,700                | Debit  |
| Reimbursement of Expenses on behalf of Subsidiary {B}         | 165,260               | 84,231                | Debit  |
| Amount Received from Subsidiary {C}                           | -                     | 1,06,060              | Credit |
| Closing Balance (Amount Recoverable) {D}<br>[ D = A + B - C ] | 2,13,131              | 47,871                | Debit  |

- iv) A Joint Venture "EPI-C&C JV" (Unincorporated) was formed on 2<sup>nd</sup> 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 ₹ 3,03,744 towards 40% share in common expenditure of joint venture have been accounted for in the EPIL books of account during FY 2018-19.

During the year ending on 31<sup>st</sup> March 2019, no transaction was carried out between Engineering Projects (India) Ltd. & EPI-C&C JV. An advance of ₹ 3,35,646 was given to various parties during FY 2017-18 for EPI portion of work which is included under "other advances" in note no. 2.17.

- v) The following transactions were carried out with related parties in ordinary course of business:

**Details of Directors Remuneration**

(Amount in ₹)

| Particulars                    | 2018-2019 | 2017-2018 |
|--------------------------------|-----------|-----------|
| Salary                         | 53,69,346 | 77,16,181 |
| Contribution to provident fund | 3,58,210  | 4,55,722  |
| House Rent                     | 4,02,825  | 10,58,632 |
| Medical Expenses               | 6,20,878  | 3,11,063  |
| Sitting Fees                   | 3,55,000  | 4,40,000  |

- a) Shri Sivanand, CMD(Addl. Charge) and Shri S.S. Rawat CMD(Addl. Charge) are not employed in the company and no salary/allowances have been paid to them during the FY 2018-19.



### Note No. 2.34

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

| Particulars | As at 31 March 2019 |           | As at 31 March 2018 |           |
|-------------|---------------------|-----------|---------------------|-----------|
|             | Quantity (MT)       | Value (₹) | Quantity (MT)       | Value (₹) |
| CEMENT      | 8.53                | 40,798    | 376                 | 18,62,625 |
| STEEL       | 21.69               | 18,36,355 | 224                 | 92,61,365 |
| STEEL PIPES | -                   | -         | 26390(RMT)          | 76,16,318 |

### Note No. 2.35

As decided by Cabinet Committee on Economic Affairs (CCEA), the process of strategic disinvestment of Engineering Projects (India) Ltd. by acquisition through similarly placed CPSE is in progress.

### Note No. 2.36

Disclosure under Accounting Standard-29 on “Provisions, Contingent Liabilities and Contingent Assets”:

(Amount in ₹)

| 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* | 33,57,24,557        | 4,69,81,270                    | 5,40,08,529               | -                      | 32,86,97,298        |
| Employee Benefits      | 37,64,08,213        | 9,07,21,137                    | 12,63,23,910              | -                      | 34,08,05,440        |
| Pay Revision (3rd PRC) | 5,43,03,797         | 1,92,75,953                    | -                         | -                      | 7,35,79,750         |
| <b>Total</b>           | <b>76,64,36,567</b> | <b>15,69,78,360</b>            | <b>18,03,32,439</b>       | -                      | <b>74,30,82,488</b> |
| Previous Year          | 64,50,77,523        | 18,68,71,642                   | 6,13,31,597               | 41,81,001              | 76,64,36,567        |

\* Provision made for receivable amount on project basis (net of payable).

In view of the claims of EPI upon UB Engineering Limited (UBEL) under consideration by the liquidator as per NCLT order, during the year a provision of ₹ 4 crore in addition to ₹ 12 crore provision made upto 31st March 2019 (total provision of ₹ 16 crore as on 31st March 2019) has been considered reasonable by the management in the present situation and provided for in the books of accounts, which has been included above under project contingencies against the outstanding dues of ₹ 16 crore (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 31<sup>st</sup> March 2019.

### 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 ₹ 1,33,000 (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 loss after tax ₹ 33,02,50,357 (previous year profit of ₹ 13,53,896) by 3,54,22,688 fully paid up equity share of ₹10 each.

|  | 2018-19 | 2017-18 |
|--|---------|---------|
| Basic and diluted earnings per share ( ₹ ) | (9.32)  | 0.04    |

### Note No. 2.40

A subsidiary Company of EPI was incorporated on 19<sup>th</sup> 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, EPI 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 01<sup>st</sup> 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 ₹ 5,10,000/- 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 ₹ 17.25 crore (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 ₹ 13.27 crore (considering residual value of the pipes) out of which ₹ 7.36 crore have already been accounted till the FY 2017-18 and further Loss of ₹ 5.96 crore accounted for during the FY 2018-19 and no loss is anticipated in this regard in future.

#### 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 realisation 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

Expenditure/income relating to prior period and prepaid expenses not exceeding ₹1,00,000/- in each case, are treated as expenditure/income of the current year, as against ₹ 50,000/- in the previous year. As a result, the current year expenses are higher by ₹ 1,37,047, profit is lower by ₹1,37,047 and Current Assets are lower by ₹1,37,047.

#### Note No. 2.46

- a) Total amount receivable from M/s Uranium Corporation of India Ltd (UCIL) on account of Trade receivable, Retention & other recoverable stands at ₹ 23,68,95,695/- as on 31.03.2019. The above amount is more than 10 years old & is under constant persuasion for realisation. Pending final settlement, based on experience/progress/assessment of the matter by the management, a provision of ₹ 4,43,77,000/- is made upto 31.03.2019.
- 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 ₹ 43,06,21,757/- as on 31.03.2019, 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 ₹ 83,29,77,163/- 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 ₹ 4,30,49,500/-, excess recovered against mobilisation 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. 2.47

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. 2.48

UB Engineering Ltd. (UBEL) was awarded the Rural Electrification Works in Moradabad and Bijnor districts of Uttar Pradesh in the year 2005 by Paschimanchal Vidyut Vitran Nigam Ltd. (PVVNL). The UBEL in turn subcontracted the said work to Engineering Projects (India) Ltd. (EPI) by an MOU entered into between UBEL & EPI. During the financial year 2016-17 UBEL initiated Corporate Insolvency Resolution process under section 10 of the Insolvency and Bankruptcy Code 2016. The National Company Law Tribunal (NCLT) Mumbai bench admitted the application of UBEL.

NCLT Mumbai bench pronounced the liquidation of UBEL vide order dated 05.12.2017. EPI lodged its claim with the liquidator on 04.01.2018. Liquidator rejected the claims lodged by EPI. In response, EPI approached Hon'ble NCLT challenging the rejection of EPI's claims by the Liquidator. Hon'ble NCLT vide its order dated 02.05.2018 set aside the Liquidator's order dated 13.01.2018 and directed Liquidator to consider the claims submitted by EPI and pass a reasoned order with a liberty to EPI to approach Hon'ble NCLT if the claim is again rejected. Pursuant to the said order dated 02.05.2018, the Liquidator issued new order dated 03.02.2015 wherein he denied issuing earlier order dated 13.01.2018 and further stated that arrangements between EPI and UBEL was joint venture and not operational creditor and therefore claims should be filed in form 'G' being 'other stakeholders'.

As per books of accounts, as on 31.03.2019, EPI has outstanding dues to the tune of ₹ 23.16 crore receivable from UBEL (Included in Note No 2.11 & 2.12) and net amount payable to contractors / vendors pertaining to this project is ₹ 7.16 crore. As per contract conditions, the contractor shall become entitled to payment only after EPI has received the corresponding payment(s) from the Client.

In view of ongoing insolvency / liquidation proceedings of UBEL, EPI made a provision of ₹ 12.00 crore upto the previous year against the amount recoverable from UBEL. Management considers a further provision of ₹ 4.00 crore as reasonable estimate against outstanding dues from UBEL in the books of accounts of EPI during the year 2018-19 so as to make provision of ₹ 16.00 crore being net receivable amount (Rs. 23.16 crore receivable from UBEL less ₹ 7.16 crore payable to sub-contractors on back to back basis).



### Note No. 2.49

Head office expenditure on account of salary and other related costs amounting to ₹ 15,60,61,529 has been allocated to Oman during the FY 2018-19 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. 2.50

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 ₹ 2,05,30,408 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 ₹ 4,92,404 (Previous year ₹ 8,88,466) 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 ₹ 4,45,296 (Previous year ₹ 4,92,404)
- ii) Payable later than 1 year and not later than 5 years ₹ 7,79,268 (Previous year ₹ 12,24,564).
- iii) Payable later than 5 years Nil. (Previous year Nil)

### Note No. 2.51

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 <sup>st</sup> March |            |
|--------|---|--|--|------------|
|        |   |  | 2019   | 2018       |
| 1.     | EPI-C&C JV                                    | C&C Construction Limited, India.<br>Engineering Projects (India) Limited, India. | 60%<br>40%   | 60%<br>40% |

### Note No. 2.52

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

**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  
Place: New Delhi  
Dated: 16th July 2019**

**For and on behalf of the Board of Directors**

**Sd/-  
(Lekh Raj)  
Director (Finance)  
DIN 07794894**

**Sd/-  
(N.K. Sharma)  
ED (Finance)**

**Sd/-  
(S.S. Rawat)  
Chairman & Managing Director  
(Additional Charge)  
DIN 07555572**

**Sd/-  
(Deepika Mehta)  
Company Secretary**



# INDEPENDENT AUDITOR'S REPORT

## INDEPENDENT AUDITOR'S REPORT

### To The Members of

Engineering Projects (India) Limited

### Report on the Consolidated Financial Statements

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 2019, 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)**

| Assets  | Amount (Rs.)         |
|---|----------------------|
| Advances for Works                              | 33,70,43,770         |
| Security Deposits & Retention money Receivables | 2,07,02,02,196       |
| Trade Receivables (non-current)                 | 60,13,57,993         |
| Trade Receivables (current)                     | 3,47,15,38,700       |
| Other Recoverable                               | 2,01,22,09,093       |
| <b>Total Receivables</b>                        | <b>849,23,51,752</b> |

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 Payables and payable to other parties are subject to confirmation/ reconciliation. (Refer note No-2.43)**

| Liabilities                                    | Amount (Rs.)   |
|--|----------------|
| Trade Payables (Long Term)                     | 1,17,40,00,042 |
| Trade Payables (Current)                       | 4,94,94,21,033 |
| Security Deposits & Retention Money Payables   | 3,04,36,94,345 |
| Security Deposits & Retention Money Payables © | 61,10,76,884   |



|                            |                        |
|----------------------------|------------------------|
| Clients advances           | 33,86,74,080           |
| Clients advances (Current) | 3,73,44,24,661         |
| Other Payables to Clients  | 1,40,85,298            |
| <b>Total Payables</b>      | <b>13,86,53,76,343</b> |

**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.23,68,95,695/- as on 31.03.2019. Against this receivable, Rs. 7,46,77,718/- is pending for payment to subcontractors. Thus, Net outstanding for which provisioning is required works out to Rs. 16,22,17,977/-, 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. 4,43,77,000/- up to 31.03.2019. Thus, required provisioning is short by Rs. 11,78,40,977/- and consequently loss of the EPIL is understated by the same amount {Refer to Note No. 2.46(a)}.
4. Disclosures required by Accounting Standard (AS)-7 {Construction Contracts}, AS-18 (Related Party Disclosers) and AS-19 (Leases) *are neither given by Regional Offices (RO) in their financial statements, nor commented upon by respective RO Auditors. Therefore, we at HO level are unable to form any opinion on proper disclosure on these Accounting Standards.*

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, 2019, and its consolidated loss, 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 Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities In accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Rs. 45,54,00,000/- on behalf of C&C Constructions Limited in Myanmar Project, EPIL has received Rs. 10,12,36,194/- and balance is treated as secure against work done in Oman. Refer to Note no.2.29(b)
3. 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.
4. 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.

Our opinion is not qualified in respect of the above matters

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

The Company’s Board of Directors is responsible for the 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.

### 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, 2019, Total Revenue and net Cash Flows for the year ended on that date to the extent to which they are reflected in the consolidated financial statements.

| Name of the Entities                    | Assets<br>(in Rs.) | Total Revenues<br>(in Rs.) | Net Cash Flows<br>(in Rs.) |
|---|--------------------|----------------------------|----------------------------|
| Subsidiary                              |                    |                            |                            |
| EPI Urban Infra<br>Developers Limited   | 6,15,601           | Nil                        | Nil                        |
| Jointly Controlled Operation            |                    |                            |                            |
| EPI-C&C Joint Venture* (Unincorporated) |                    |                            |                            |
| <b>Total</b>                            | <b>6,15,601</b>    | <b>Nil</b>                 | <b>Nil</b>                 |

\*Jointly controlled operation agreement formed on 2nd August, 2017.

Rs. 3,01,875 towards Employees Benefit Expenses and Rs. 4,57,485 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. 7,59,360 (Rs. 3,01,875+ Rs. 4,57,485). 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 84,283/- (Previous year Loss Rs 1,66,409) for the year ended 31st March 2019 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 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, except for the possible effect of the matter described in "Other Matters" paragraph above, we report to the extent, 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 relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and report of other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of, Profit and Loss, and the' Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
  - d) In Our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified tinder Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) Being Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Holding Company.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".



- g) 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 Consolidated Financial statements hat disclosed the impact of pending litigations on the consolidated financial position the Group and its Jointly Controlled Operation. (Refer Note 2.26 to consolidated financial statements.)
  - ii. Provisions has been made in the consolidated financial statements, 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 Group and Jointly Controlled Operation.

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

Sd/-  
Pankaj Kumar  
(Partner)  
(Membership No. 073291)  
Place: New Delhi  
Date: 16.07.2019  
UDIN : 19073291AAAAAP6912



## Annexure A

### **Annexure 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 Holding Company") and its subsidiary namely EPI Urban Infra Developers Limited (the holding company and subsidiary together to as "the group") and its jointly controlled operation, as of March 31, 2019 in conjunction with our audit of the Consolidated financial statements of the Group and its jointly controlled operation for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Director of the Holding and its Subsidiary Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 Holding 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 Holding 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 is 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 Holding Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Holding 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 Holding 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 Holding 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 Holding 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 Holding 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 Holding 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, 2019, based on "the internal control over financial reporting criteria established by the Holding 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. 26.50 Crores. As on 31st March 2019, Rs. 8.91 Crores remains outstanding.

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

Sd/-  
Pankaj Kumar  
(Partner)  
(Membership No. 073291)  
Place: New Delhi  
Date: 16.07.2019



## Company's Reply on Auditors Qualification

| S.No.   | Auditor's Qualification  | Company's Reply |              |                            |                |   |                |  |                |  |                |                   |                |                            |                      |   |             |                       |                        |  |
|---|--|-----------------|--------------|----------------------------|----------------|---|----------------|--|----------------|--|----------------|-------------------|----------------|----------------------------|----------------------|---|-------------|-----------------------|------------------------|--|
| 1.  | <p>Balance of Trade Receivables, Loans &amp; 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="text-align: left;">Assets</th> <th style="text-align: right;">Amount (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Advances for Works</td> <td style="text-align: right;">33,70,43,770</td> </tr> <tr> <td>Security Deposits &amp; Retention Money Receivables</td> <td style="text-align: right;">2,07,02,02,196</td> </tr> <tr> <td>Trade Receivables(non-current )</td> <td style="text-align: right;">60,13,57,993</td> </tr> <tr> <td>Trade Receivables (current)</td> <td style="text-align: right;">3,47,15,38,700</td> </tr> <tr> <td>Other Recoverable</td> <td style="text-align: right;">2,01,22,09,093</td> </tr> <tr> <td><b>Total Receivables</b></td> <td style="text-align: right;"><b>849,23,51,752</b></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>  | Assets          | Amount (Rs.) | Advances for Works         | 33,70,43,770   | Security Deposits & Retention Money Receivables | 2,07,02,02,196 | Trade Receivables(non-current )              | 60,13,57,993   | Trade Receivables (current)                    | 3,47,15,38,700 | Other Recoverable | 2,01,22,09,093 | <b>Total Receivables</b>   | <b>849,23,51,752</b> | <p>The Practice of balance confirmations of Trade Receivables, Loans &amp; Advances, Client's 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> |             |                       |                        |  |
| Assets  | Amount (Rs.)   |                 |              |                            |                |   |                |  |                |  |                |                   |                |                            |                      |   |             |                       |                        |  |
| Advances for Works                              | 33,70,43,770   |                 |              |                            |                |   |                |  |                |  |                |                   |                |                            |                      |   |             |                       |                        |  |
| Security Deposits & Retention Money Receivables | 2,07,02,02,196   |                 |              |                            |                |   |                |  |                |  |                |                   |                |                            |                      |   |             |                       |                        |  |
| Trade Receivables(non-current )                 | 60,13,57,993   |                 |              |                            |                |   |                |  |                |  |                |                   |                |                            |                      |   |             |                       |                        |  |
| Trade Receivables (current)                     | 3,47,15,38,700   |                 |              |                            |                |   |                |  |                |  |                |                   |                |                            |                      |   |             |                       |                        |  |
| Other Recoverable                               | 2,01,22,09,093   |                 |              |                            |                |   |                |  |                |  |                |                   |                |                            |                      |   |             |                       |                        |  |
| <b>Total Receivables</b>                        | <b>849,23,51,752</b>   |                 |              |                            |                |   |                |  |                |  |                |                   |                |                            |                      |   |             |                       |                        |  |
| 2.  | <p>Balance of Trade Payables 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="text-align: left;">Liabilities</th> <th style="text-align: right;">Amount (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Trade Payables (Long Term)</td> <td style="text-align: right;">1,17,40,00,042</td> </tr> <tr> <td>Trade Payables (Current)</td> <td style="text-align: right;">4,94,94,21,033</td> </tr> <tr> <td>Security Deposits &amp; Retention Money Payables</td> <td style="text-align: right;">3,04,36,94,345</td> </tr> <tr> <td>Security Deposits &amp; Retention Money Payables ©</td> <td style="text-align: right;">61,10,76,884</td> </tr> <tr> <td>Clients advances</td> <td style="text-align: right;">33,86,74,080</td> </tr> <tr> <td>Clients advances (Current)</td> <td style="text-align: right;">3,73,44,24,661</td> </tr> <tr> <td>Other Payables to Clients</td> <td style="text-align: right;">1,40,85,298</td> </tr> <tr> <td><b>Total Payables</b></td> <td style="text-align: right;"><b>13,86,53,76,343</b></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> | Liabilities     | Amount (Rs.) | Trade Payables (Long Term) | 1,17,40,00,042 | Trade Payables (Current)                        | 4,94,94,21,033 | Security Deposits & Retention Money Payables | 3,04,36,94,345 | Security Deposits & Retention Money Payables © | 61,10,76,884   | Clients advances  | 33,86,74,080   | Clients advances (Current) | 3,73,44,24,661       | Other Payables to Clients   | 1,40,85,298 | <b>Total Payables</b> | <b>13,86,53,76,343</b> | <p>The Practice of balance confirmations of Trade Payables and others are consistently followed by the company from the last several years as per the practice followed across the industry.</p> |
| Liabilities                                     | Amount (Rs.)   |                 |              |                            |                |   |                |  |                |  |                |                   |                |                            |                      |   |             |                       |                        |  |
| Trade Payables (Long Term)                      | 1,17,40,00,042   |                 |              |                            |                |   |                |  |                |  |                |                   |                |                            |                      |   |             |                       |                        |  |
| Trade Payables (Current)                        | 4,94,94,21,033   |                 |              |                            |                |   |                |  |                |  |                |                   |                |                            |                      |   |             |                       |                        |  |
| Security Deposits & Retention Money Payables    | 3,04,36,94,345   |                 |              |                            |                |   |                |  |                |  |                |                   |                |                            |                      |   |             |                       |                        |  |
| Security Deposits & Retention Money Payables ©  | 61,10,76,884   |                 |              |                            |                |   |                |  |                |  |                |                   |                |                            |                      |   |             |                       |                        |  |
| Clients advances                                | 33,86,74,080   |                 |              |                            |                |   |                |  |                |  |                |                   |                |                            |                      |   |             |                       |                        |  |
| Clients advances (Current)                      | 3,73,44,24,661   |                 |              |                            |                |   |                |  |                |  |                |                   |                |                            |                      |   |             |                       |                        |  |
| Other Payables to Clients                       | 1,40,85,298  |                 |              |                            |                |   |                |  |                |  |                |                   |                |                            |                      |   |             |                       |                        |  |
| <b>Total Payables</b>                           | <b>13,86,53,76,343</b>   |                 |              |                            |                |   |                |  |                |  |                |                   |                |                            |                      |   |             |                       |                        |  |



| S.No. | Auditor's Qualification   | Company's Reply   |
|-------|---|---|
| 3.    | <p>Total amount receivable from M/s Uranium Corporation of India Ltd (UCIL) on account of Trade receivable, Retention &amp; other recoverable stands at Rs. 23,68,95,695/- as on 31.03.2019. 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 4,43,77,000/- up to 31.03.2019. Thus, required provisioning is short by Rs. 19,25,18,695/- and consequently loss of the EPIL is understated by the same amount (Refer to Note No. 2.46(a).</p> | <p>As per accounting policy no 10 of the company, the provisioning is required in case of receivable are more than 10 years old. Since the project office has raised the final bill on UCIL on 14.06.2009 therefore outstanding amount is not falling and become due for payment thereafter, under the category of provisioning as at 31st March 2019. The Company has made vigorous efforts to realise the old outstanding dues from M/s Uranium Corporation of India Ltd (UCIL) . There had been series of meetings with senior management including CMD, UCIL in reference to the outstanding payment issues in this financial year also. An early settlement is expected.</p> |
| 4.    | <p>Disclosures required by Accounting Standard (AS)-7 (Construction Contracts), AS-18 (Related Party Disclosure) and AS-19 (Leases) are neither given by Regional Offices (RO) in their financial statements, nor commented upon by respective RO Auditors. Therefore, we at HO level are unable to form any opinion on proper disclosure on these Accounting Standards.</p>  | <p>The company as per past practice followed consistently from several years incorporating Accounting Standard (AS)-7 (Construction Contracts) , AS-18 (Related Party Disclosures) and AS-19 (Leases) at Corporate office after considering the Audited financial statements of the branches.</p>   |



### 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. 45,54,00,000/- on behalf of C&C Constructions Limited in Myanmar Project, EPIL has received Rs. 10,12,36,194/- and balance is treated as secure against work done in Oman. Refer to Note no. 2.29(b)  | At the time of Issuance of BG by EPIL for Rs. 45.54 cr. on behalf of C&C Constructions Limited, EPIL has received Rs.10.12 Cr. against the said BG as security. Further an amount of USD 1 million (equivalent to INR approx. 7 cr. ) were taken from C&C Constructions, Myanmar. Thereafter, Rs.2 cr. has been withheld as security against the bills of OMAN project. Therefore, total security available with EPI as on date against the aforesaid BG is Rs. 19 cr. Further C&C Constructions has given undertaking to recover Rs. 2 cr from each bill of Myanmar Project till EPIL gets fully secured against the exposure of the said Bank Guarantee and in case of failure balance amount will be recovered from the Oman Project. |
| 3.   | 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.                               | Emphasis of matter is only a matter of fact, as on date no financial impact is envisaged.  |



| S.N. | Emphasis of Matter   | Replies of the Company  |
|------|--|---|
| 4.   | 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. | This does not have any bearing on the Financial Statements of the Company |



## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019

(Amount in ₹)

|     | Particulars                                      | Note No.    | As at 31st March, 2019 |                       | As at 31st March, 2018 |                       |
|-----|--|-------------|------------------------|-----------------------|------------------------|-----------------------|
| I.  | <b>EQUITY AND LIABILITIES</b>                    |             |                        |                       |                        |                       |
| 1   | <b>Shareholders' Funds</b>                       |             |                        |                       |                        |                       |
|     | a) Share Capital                                 | 2.1         | 354,226,880            |                       | 354,226,880            |                       |
|     | b) Reserves and Surplus                          | 2.2         | 1,622,411,396          |                       | 1,952,736,036          | 2,307,241,103         |
|     | c) Minority Interest                             |             | <u>197,210</u>         | <b>1,976,835,486</b>  | <u>2,78,187</u>        |                       |
| 2   | <b>Share Application Money Pending Allotment</b> |             | -                      |                       | -                      |                       |
| 3   | <b>Non Current Liabilities</b>                   |             |                        |                       |                        |                       |
|     | a) Other Long - Term Liabilities                 | 2.3         | 4,570,453,765          |                       | 4,074,044,815          |                       |
|     | b) Long - Term Provisions                        | 2.4         | <u>295,118,236</u>     | <b>4,865,572,001</b>  | <u>274,541,026</u>     | 4,348,585,841         |
| 4   | <b>Current Liabilities</b>                       |             |                        |                       |                        |                       |
|     | a) Short Term Borrowings                         | 2.5         | 588,546,889            |                       | -                      |                       |
|     | b) Trade Payables                                | 2.6         |                        |                       |                        |                       |
|     | i) Due to MSME                                   |             | 18,257,846             |                       | 5,761,885              |                       |
|     | ii) Due to Other than MSME                       |             | 4,931,163,187          |                       | 4,945,186,136          |                       |
|     | c) Other Current Liabilities                     | 2.7         | 5,652,835,654          |                       | 7,446,545,543          |                       |
|     | d) Short Term Provisions                         | 2.8         | <u>300,245,485</u>     | <b>11,491,049,061</b> | 262,242,097            | 12,659,735,661        |
|     | <b>Total</b>                                     |             |                        | <b>18,333,456,548</b> |                        | <u>19,315,562,605</u> |
| II. | <b>ASSETS</b>                                    |             |                        |                       |                        |                       |
| 1   | <b>Non current assets</b>                        |             |                        |                       |                        |                       |
|     | a) Tangible Assets                               |             |                        |                       |                        |                       |
|     | i) Property, Plant & Equipment                   | 2.9(i)      | 80,333,595             |                       | 89,872,952             |                       |
|     | b) Intangible Assets                             | 2.9(ii)     | 2,584,987              |                       | 6,040,573              |                       |
|     | c) Deferred Tax Assets (Net)                     | 2.10        | 196,499,931            |                       | 158,838,339            |                       |
|     | d) Long Term Loans and Advances                  | 2.11        | 3,068,131,133          |                       | 2,550,682,520          |                       |
|     | e) Other Non Current Assets                      | 2.12        | <u>2,613,567,086</u>   | <b>5,961,116,732</b>  | <u>2,538,519,259</u>   | 5,343,953,643         |
| 2   | <b>Current assets</b>                            |             |                        |                       |                        |                       |
|     | a) Inventories                                   | 2.13        | 1,877,153              |                       | 18,740,308             |                       |
|     | b) Trade Receivables                             | 2.14        | 3,471,538,700          |                       | 3,610,991,289          |                       |
|     | c) Cash and cash equivalents                     | 2.15 (i)    | 2,602,971,191          |                       | 3,51,15,98,066         |                       |
|     | d) Other Bank Balance                            | 2.15 (ii)   | 787,445,665            |                       | 410,945,708            |                       |
|     | e) Short Term Loans and Advances                 | 2.16        | 1,903,736,891          |                       | 3,058,686,197          |                       |
|     | f) Other Current Assets                          | 2.18        | <u>3,604,770,216</u>   | <b>12,372,339,816</b> | 33,60,76,47,397        | 13,971,608,962        |
|     | <b>Total</b>                                     |             |                        | <b>18,333,456,548</b> |                        | <u>19,315,562,605</u> |
|     | Significant Accounting Policies                  | 1           |                        |                       |                        |                       |
|     | Notes to accounts                                | 2.1 to 2.52 |                        |                       |                        |                       |

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

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

For and on behalf of the Board of Directors

Sd/-  
(Lekh Raj)  
Director (Finance)  
DIN 07794894

Sd/-  
(S.S. Rawat)  
Chairman & Managing Director  
(Additional Charge)  
DIN 07555572

Sd/-  
(CA Pankaj Kumar)  
Partner  
Membership No. 073291  
Place: New Delhi  
Dated: 16th July 2019

Sd/-  
(N.K. Sharma)  
ED (Finance)

Sd/-  
(Deepika Mehta)  
Company Secretary



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(Amount in ₹)

| Particulars |   | Note No.    | Year ended<br>31st March, 2019 | Year ended<br>31st March, 2018 |
|-------------|---|-------------|--------------------------------|--------------------------------|
| I.          | Revenue From Operations   | 2.18        | 17,910,486,804                 | 16,074,098,507                 |
| II.         | Other Income  | 2.19        | 51,761,171                     | 152,679,188                    |
| III.        | <b>Total Revenue ( I+II )</b>   |             | <b>17,962,247,975</b>          | <b>16,226,777,695</b>          |
| IV.         | <b>Expenses:</b>  |             |                                |                                |
|             | Operating Expenses  | 2.20        | 17,167,138,366                 | 15,014,694,282                 |
|             | Employee Benefits Expenses  | 2.21        | 762,054,377                    | 785,215,766                    |
|             | Finance Costs   | 2.22        | 50,147,981                     | 48,570,364                     |
|             | Depreciation & Amortisation Expenses  | 2.9         | 18,963,577                     | 15,467,875                     |
|             | Other Expenses  | 2.23        | 259,543,142                    | 326,720,361                    |
|             | <b>Total Expenses</b>   |             | <b>18,257,847,443</b>          | <b>16,190,668,648</b>          |
| V.          | <b>Profit/ (Loss) before prior period expenses, exceptional and extraordinary items and tax ( III-IV)</b> |             | <b>(295,599,468)</b>           | <b>36,109,047</b>              |
| VI.         | Prior Period Expenses (Net)   | 2.24        | 646,857                        | 18,987,494                     |
| VII.        | <b>Profit/ (Loss) before exceptional and extraordinary items and tax (V-VI)</b>                           |             | <b>(296,246,325)</b>           | <b>17,121,553</b>              |
| VIII.       | Exceptional Items   |             | -                              | -                              |
| IX.         | <b>Profit/ (Loss) before Extraordinary Items and Tax (VII-VIII)</b>                                       |             | <b>(296,246,325)</b>           | <b>17,121,553</b>              |
| X.          | Extraordinary Items   |             | -                              | -                              |
| XI.         | <b>Profit/(Loss) Before Tax ( IX-X)</b>   |             | <b>(296,246,325)</b>           | <b>17,121,553</b>              |
| XII.        | Tax Expense   |             |                                |                                |
|             | Current Tax   | 2.11        | 43,430,628                     | 8,469,635                      |
|             | Earlier Years Tax Adjustments (net)   |             | 28,224,996                     | (2,914,935)                    |
|             | Deferred Tax  |             | (37,661,592)                   | 10,222,957                     |
| XIII.       | <b>Profit/ (Loss) from Continuing Operations (XI-XII)</b>   |             | <b>(330,240,357)</b>           | <b>1,343,896</b>               |
| XIV.        | Profit / (Loss) from discontinuing Operations   |             | (84,283)                       | (166,409)                      |
| XV.         | Tax Expense of discontinuing Operations   |             | -                              | -                              |
| XVI.        | <b>Profit / (Loss) from discontinuing Operations (After Tax) (XIV-XV)</b>                                 |             | <b>(84,283)</b>                | <b>(166,409)</b>               |
| XVII.       | <b>Profit / (Loss) for the year (XIII+XVI)</b>  |             | <b>(330,324,640)</b>           | <b>1,177,487</b>               |
| XVIII.      | <b>Earnings Per Share (Basic &amp; Diluted)</b>   | 2.39        | <b>(9.33)</b>                  | <b>0.03</b>                    |
|             | Significant Accounting Policies   | 1           |                                |                                |
|             | Notes to Accounts   | 2.1 to 2.52 |                                |                                |

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

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

Sd/-  
(CA Pankaj Kumar)  
Partner  
Membership No. 073291  
Place: New Delhi  
Dated: 16th July 2019

For and on behalf of the Board of Directors

Sd/-  
(Lekh Raj)  
Director (Finance)  
DIN 07794894

Sd/-  
(S.S. Rawat)  
Chairman & Managing Director  
(Additional Charge)  
DIN 07555572

Sd/-  
(N.K. Sharma)  
ED (Finance)

Sd/-  
(Deepika Mehta)  
Company Secretary



## CONSOLIDATED -CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

| PARTICULARS  | For the Year ended<br>31.03.2019 | For the Year ended<br>31.03.2018 |
|--|----------------------------------|----------------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                               |                                  |                                  |
| <b>NET PROFIT BEFORE TAX</b>   | (296,246,325)                    | 17,121,553                       |
| Adjustment for Profit/(Loss) in subsidiary                               | (165,260)                        | (326,293)                        |
| Net Profit after adjusting Subsidiary Profit/(Loss)                      | (296,411,585)                    | 16,795,260                       |
| <b>ADJUSTMENTS FOR:</b>  |                                  |                                  |
| - DEPRECIATION AND AMORTIZATION  | 18,963,577                       | 15,702,523                       |
| - LOSS/(PROFIT) ON SALE OF ASSETS (NET)                                  | 75,104                           | 109,501                          |
| - INTEREST ON FDs  | (7,336,407)                      | (12,872,589)                     |
| <b>EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY</b> |                                  |                                  |
| - CASH & CASH EQUIVALENTS  |                                  |                                  |
| <b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>                   | (284,709,311)                    | 19,734,695                       |
| - DECREASE/( INCREASE) IN INVENTORIES                                    | 16,863,155                       | 20,912,781                       |
| - DECREASE/( INCREASE) IN UNBILLED REVENUE                               | (371,148,715)                    | 279,825,041                      |
| - DECREASE/( INCREASE) IN SUNDRY DEBTORS                                 | 26,743,169                       | (685,511,814)                    |
| - DECREASE/( INCREASE) IN FDs UNDER LIEN                                 | (2,285,833)                      | 39,684,440                       |
| - DECREASE/( INCREASE) IN LOANS & ADVANCES                               | 652,937,710                      | 834,536,889                      |
| - INCREASE/( DECREASE) IN CURRENT LIABILITIES & PROVISIONS               | (555,763,541)                    | 524,331,980                      |
| <b>CASH GENERATED FROM OPERATIONS</b>                                    | (517,363,366)                    | 1,033,514,011                    |
| - INCOME TAX   | (33,994,032)                     | (15,777,657)                     |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>                                | (551,357,398)                    | 1,017,736,354                    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                              |                                  |                                  |
| - PURCHASE/CONSTRUCTION OF FIXED ASSETS                                  | (6,235,268)                      | (12,172,954)                     |
| - PROCEEDS FROM SALE OF ASSETS   | 191,530                          | 111,640                          |
| - INTEREST INCOME  | 22,988,386                       | (17,024,787)                     |
| - FDR WITH MATURITY MORE THAN 3 MONTH                                    | (374,214,125)                    | (383,685,875)                    |
| <b>NET CASH FROM INVESTING ACTIVITIES</b>                                | (357,269,477)                    | (412,771,976)                    |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                               |                                  |                                  |
| - FDR WITH MATURITY MORE THAN 3 MONTH                                    | -                                | -                                |
| - DIVIDEND PAID  | -                                | -                                |
| - DIVIDEND TAX PAID  | -                                | -                                |
| NET CASH USED IN FINANCING ACTIVITIES                                    | -                                | -                                |
| <b>EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY</b> |                                  |                                  |
| - CASH & CASH EQUIVALENTS  |                                  |                                  |
| <b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>              | (908,626,875)                    | 604,964,378                      |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR                   | 3,511,598,066                    | 2,906,633,688                    |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR                         | 2,602,971,191                    | 3,511,598,066                    |
| <b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>                       |                                  |                                  |
| CASH IN HAND (REFER NOTE NO 2.15)  | 15,205                           | 200,309                          |
| CHEQUES IN HAND (REFER NOTE NO 2.15)                                     | -                                | -                                |
| REMITTANCE IN TRANSIT  | -                                | -                                |
| BALANCE WITH BANK'S IN CURRENT ACCOUNTS (REFERNOTE NO 2.15)              | 512,678,819                      | 990,673,547                      |
| BALANCE WITH OTHER BANK'S FIXED DEPOSITS OTHER (REFER NOTE NO 2.16)      | 2,090,277,167                    | 2,520,724,210                    |
| CASH AND CASH EQUIVALENT   | 2,602,971,191                    | 3,511,598,066                    |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>                  | 2,602,971,191                    | 3,511,598,066                    |

**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

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

Sd/-  
(CA Pankaj Kumar)

Partner

Membership No. 073291

Place: New Delhi

Dated: 16th July 2019

For and on behalf of the Board of Directors

Sd/-  
(Lekh Raj)  
Director (Finance)  
DIN 07794894

Sd/-  
(S.S. Rawat)  
Chairman & Managing Director  
(Additional Charge)  
DIN 07555572

Sd/-  
(N.K. Sharma)  
ED (Finance)

Sd/-  
(Deepika Mehta)  
Company Secretary



## Notes to Consolidated Financial Statement:- (For the year ended 31<sup>st</sup> March 2019)

### 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.

#### 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           | <b>Building (Other than factory Building) RCC frame structure (NESD)</b>                                    | 1.58%                |
| 2           | <b>Others Temporary Construction (Including temporary structure etc.) (NESD)</b>                            | 31.67%               |
| 3           | <b>Plant and Machinery used in civil construction</b>   |                      |
| 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           | <b>General Furniture and Fixture (NESD)</b>   | 9.50%                |
| 5           | <b>Office Equipments (NESD)</b>   | 19%                  |
| 6           | <b>Computers and data processing units (NESD)</b>   |                      |
| 6(a)        | Server and Network  | 15.83%               |
| 6(b)        | End user devices such as Desktop, Laptop, Software including user licence fee, other intangible assets etc. | 31.67%               |
| 7           | <b>Motor Vehicles (NESD)</b>  |                      |
| 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') 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 EPL



## 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 ₹)

| Share Capital  | As at<br>31st March 2019 | As at<br>31st March 2018 |
|--|--------------------------|--------------------------|
| <b>Authorised</b><br>90,94,04,600 Equity Shares of ₹ 10/- Each Fully Paid Up<br>(P.Y. 90,94,04,600 Equity Shares of ₹10/- Each Fully Paid Up)                          | <b>9,094,046,000</b>     | 9,094,046,000            |
| <b>Issued, Subscribed and Fully Paid up</b><br>3,54,22,688 Equity Shares of ₹ 10/- Each Fully Paid Up<br>(P.Y. 3,54,22,688 Equity Shares of ₹ 10/- Each Fully Paid Up) | <b>354,226,880</b>       | 354,226,880              |
| <b>Total</b>   | <b>354,226,880</b>       | 354,226,880              |

### Note 2.1 (A)

| Reconciliation of No. of Shares Outstanding | As at<br>31st March 2019 | As at<br>31st March 2018 |
|---|--------------------------|--------------------------|
|   | Number                   | Number                   |
| At the beginning of the year                | <b>3,54,22,688</b>       | 3,54,22,688              |
| <b>At the end of the year</b>               | <b>3,54,22,688</b>       | 3,54,22,688              |

### Note 2.1 (B)

| Number of Shares Held by Each Shareholder<br>holding More Than 5% | As at<br>31st March 2019 |                  | As at<br>31st March 2018 |                  |
|---|--------------------------|------------------|--------------------------|------------------|
|   | No. of<br>Shares         | % age<br>Holding | No. of<br>Shares         | % age<br>Holding |
| The President of India  | <b>3,54,15,677</b>       | <b>99.98</b>     | 3,54,15,677              | 99.98            |



## Note No. 2.2

(Amount in ₹)

| Reserve & Surplus                                 | As at<br>31st March 2019 | As at<br>31st March 2018 |
|---|--------------------------|--------------------------|
| <b>A) Capital Reserve</b>                         |                          |                          |
| Balance as at the beginning and end of the year   | <b>210,020</b>           | 210,020                  |
| <b>B) General Reserve</b>                         |                          |                          |
| Balance as at the beginning of the year           | <b>211,500,000</b>       | 211,500,000              |
| Add: Addition during the year                     | -                        | -                        |
| <b>Balance as at the end of the year</b>          | <b>211,500,000</b>       | 211,500,000              |
| <b>C) Surplus in Statement of Profit and Loss</b> |                          |                          |
| Balance as at the beginning of the year           | <b>1,741,026,016</b>     | 1,739,848,529            |
| Add: Profit/(Loss) for the year                   | <b>(330,324,640)</b>     | 1,177,487                |
| Less: Dividend Paid*                              | -                        | -                        |
| Less: Dividend Distribution Tax*                  | -                        | -                        |
| <b>Balance as at the end of the year</b>          | <b>1,410,701,376</b>     | 1,741,026,016            |
| <b>Total (A+B+C)</b>                              | <b>1,622,411,396</b>     | 1,952,736,036            |

\*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 due to insufficient distributable profits.

As has been discussed with DIPAM, they have approved the exemption from payment of dividend for the FY 2017-18 and for the FY 2018-19 it is in the process of approval.



### Note No. 2.3

(Amount in ₹)

| Other Long Term Liabilities                          | As at<br>31st March 2019 | As at<br>31st March 2018 |
|--|--------------------------|--------------------------|
| Trade Payables                                       |                          |                          |
| - Micro, Small & Medium Enterprises *                | -                        | -                        |
| - Other Other than Micro, Small & Medium Enterprises | <b>1,174,000,042</b>     | 1,039,353,069            |
| Other Liabilities                                    |                          |                          |
| - Security Deposits & Retention Money #              | <b>3,043,694,345</b>     | 2,164,649,278            |
| -Advance Received from Clients                       | <b>338,674,080</b>       | 839,154,599              |
| - Other Payable to Clients                           | <b>14,085,298</b>        | 30,887,869               |
| <b>Total</b>   | <b>4,570,453,765</b>     | 4,074,044,815            |

\* In terms of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, the amount due to these enterprises are required to be disclosed. These enterprises are required to be registered under the Act. In the absence of the relevant information from most of the vendors about their registration, the required information cannot be properly ascertained.

# Includes an amount of ₹ 10.12 crore received by EPIL in lieu of Bank Guarantee provided by EPIL for ₹ 45.54 crore 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 ₹)

| Long Term Provisions                  | As at<br>31st March 2019 | As at<br>31st March 2018 |
|---------------------------------------|--------------------------|--------------------------|
| Employee Benefits                     |                          |                          |
| -Leave Encashment                     | 125,702,577              | 107,913,131              |
| -Long Service Award                   | 1,386,608                | 2,382,554                |
| -Post Retirement Medical Benefits     | 167,744,878              | 163,997,811              |
| -Post Retirement Travelling Allowance | 284,173                  | 247,530                  |
| <b>Total</b>                          | <b>295,118,236</b>       | 274,541,026              |



## Note No. 2.5

(Amount in ₹)

| Short Term Borrowing                  | As at<br>31st March 2019 | As at<br>31st March 2018 |
|---------------------------------------|--------------------------|--------------------------|
| Secured                               |                          |                          |
| - Loan Payable on Demand from Banks # | 89,050,000               | -                        |
| Unsecured                             |                          |                          |
| - Loan Payable on Demand from Banks * | 499,496,889              | -                        |
| <b>Total</b>                          | <b>588,546,889</b>       | <b>-</b>                 |

# amount of ₹8,90,50,000 (previous year Nil) towards overdraft against the clients fixed deposit (i.e. out of the deposit money of client) amounting to ₹ 26,50,00,000 for meeting working capital requirement of the Company.

\*Amount of ₹ 49,94,96,889 (previous year Nil) towards clean cash credit against fund based limit with IOB Delhi.

## Note No. 2.6

(Amount in ₹)

| Trade Payables                                 | As at<br>31st March 2019 | As at<br>31st March 2018 |
|--|--------------------------|--------------------------|
| Trade Payables                                 |                          |                          |
| - Micro, Small & Medium Enterprises *          | 18,257,846               | 5,761,885                |
| - Other than Micro, Small & Medium Enterprises | 4,931,163,187            | 4,945,186,136            |
| <b>Total</b>                                   | <b>4,949,421,033</b>     | <b>4,950,948,021</b>     |

\*In terms of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, the amount due to these enterprises are required to be disclosed. These enterprises are required to be registered under the Act. In the absence of the relevant information from most of the vendors about their registration, the required information cannot be properly ascertained.

Based on information available with the company ₹ 1,82,57,846 (previous year ₹ 57,61,885) 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 ₹)

| Other Current Liabilities                    | As at<br>31st March 2019 | As at<br>31st March 2018 |
|--|--------------------------|--------------------------|
| Advance From Clients                         | 3,734,424,661            | 4,933,436,805            |
| Security Deposits, Retention & Earnest Money | 611,076,884              | 1,282,461,874            |
| Outstanding Liabilities                      | 100,186,554              | 44,782,826               |
| Other Payable to Clients                     | 52,570,000               | 91,982,646               |
| Advance Revenue for Works                    | 886,920,666              | 790,983,769              |
| Payable to Employees*                        | 10,760,979               | 11,657,987               |
| Statutory Liabilities                        | 256,895,910              | 291,239,636              |
| <b>Total</b>                                 | <b>5,652,835,654</b>     | <b>7,44,65,45,543</b>    |

\* During the year ended on 31.03.2019 an amount of ₹38,71,654 (previous year ₹44,64,159) related to Performance Related Pay is pending for release to certain employees.

## Note No. 2.8

(Amount in ₹)

| Short Term Provisions                     | As at<br>31st March 2019 | As at<br>31st March 2018 |
|---|--------------------------|--------------------------|
| Provision for Expected Loss (As per AS-7) | 137,547,903              | 45,660,155               |
| Provision for Income Tax (Foreign)        | 43,430,628               | 60,410,958               |
| Provision for Pay Revision (3rd PRC)#     | 73,579,750               | 54,303,797               |
| Employee Benefits                         |                          |                          |
| -Leave Encashment                         | 24,920,423               | 21,273,786               |
| -Gratuity                                 | 2,915,902                | 67,802,518               |
| -Long Service Award                       | 477,220                  | 683,721                  |
| -Post Retirement Medical Benefits         | 17,301,763               | 12,057,814               |
| -Post Retirement Travelling Allowance     | 71,896                   | 49,348                   |
| <b>Total</b>                              | <b>300,245,485</b>       | <b>262,242,097</b>       |

# Pursuant to the guidelines regarding pay revision (3rd PRC) w.e.f. 01.01.2017 provision of ₹ 1,92,75,953 (previous year ₹ 3,68,03,797) has been made in the books of accounts during FY 2018-19. The cumulative provision as at 31.03.2019 is ₹ 7,35,79,750 (previous year ₹ 5,43,03,797).



**Note No. 2.9 (i)**  
**Property Plant & Equipments as on 31.03.2019**

(Amount in ₹)

| 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 2019 | As at 31st March 2018 |
| PROPERTY PLANT & EQUIPMENT  |                    |                  |                  |                           |                    |                   |                  |                    |                       |                       |
| LAND FREEHOLD               |                    |                  | -                | -                         |                    |                   |                  |                    |                       |                       |
| LAND LEASEHOLD              | 1,615,856          |                  |                  | 1,615,856                 | 315,792            | 16,322            |                  | 332,114            | 1,283,742             | 1,300,064             |
| BUILDING FREEHOLD           | 4,687,325          |                  |                  | 4,687,325                 | 2,685,926          | 95,297            |                  | 2,781,223          | 1,906,102             | 2,001,399             |
| BUILDING LEASEHOLD*         | 66,712,979         |                  |                  | 66,712,979                | 25,201,670         | 1,277,666         |                  | 26,479,336         | 40,233,643            | 41,511,309            |
| COMPUTER AND EQUIPMENTS     | 48,600,852         | 814,922          | 615,080          | 48,800,694                | 41,009,956         | 3,101,781         | 527,369          | 43,584,368         | 5,216,326             | 7,590,896             |
| OFFICE AND OTHER EQUIPMENTS | 25,059,725         | 760,707          | 313,371          | 25,507,061                | 19,113,829         | 2,338,858         | 363,403          | 21,089,284         | 4,417,777             | 5,945,896             |
| CONSTRUCTION EQUIPMENTS     | 62,640,644         |                  |                  | 62,640,644                | 44,932,835         | 1,858,776         | (3)              | 46,791,614         | 15,849,030            | 17,707,809            |
| FURNITURES & FIXTURES       | 27,219,695         | 214,382          | 627,886          | 26,806,191                | 16,248,159         | 1,742,714         | 411,184          | 17,579,689         | 9,226,502             | 10,971,536            |
| VEHICLES                    | 7,421,984          |                  | 216,069          | 7,205,915                 | 4,577,941          | 632,801           | 205,300          | 5,005,442          | 2,200,473             | 2,844,043             |
| <b>TOTAL</b>                | <b>243,959,060</b> | <b>1,790,011</b> | <b>1,772,406</b> | <b>243,976,665</b>        | <b>154,086,108</b> | <b>11,064,215</b> | <b>1,507,253</b> | <b>163,643,070</b> | <b>80,333,595</b>     | <b>89,872,952</b>     |
| PREVIOUS YEAR               | 240,108,971        | 7,940,623        | 4,090,534        | 243,959,060               | 145,889,440        | 12,079,744        | 3,883,076        | 154,086,108        | 89,872,952            | -                     |

\* Conveyance deeds in respect of building at Scope Complex, New Delhi included in fixed assets at a cost of ₹ 3,74,41,925 (previous year ₹ 3,74,41,925) is pending for execution in the name of Company.

**Note No. 2.9 (ii)**  
**Intangible assets as at 31.03.2019**

(Amount in ₹)

| 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 2019 | As at 31st March 2018 |
| INTANGIBLE ASSETS    |                   |                  |                  |                           |                   |                  |                  |                   |                       |                       |
| SOFTWARES (ACQUIRED) | 17,796,157        | 4,445,256        | 31,930           | 22,209,483                | 11,755,584        | 7,899,362        | 30,450           | 19,624,496        | 2,584,987             | 6,040,573             |
| <b>TOTAL</b>         | <b>17,796,157</b> | <b>4,445,256</b> | <b>31,930</b>    | <b>22,209,483</b>         | <b>11,755,584</b> | <b>7,899,362</b> | <b>30,450</b>    | <b>19,624,496</b> | <b>2,584,987</b>      | <b>6,040,573</b>      |
| PREVIOUS YEAR        | 13,803,752        | 4,232,331        | 239,926          | 17,796,157                | 8,593,695         | 3,388,131        | 226,242          | 11,755,584        | 6,040,573             | -                     |



## Note No. 2.10

(Amount in ₹)

| Deferred Tax Assets (Net)*              | As at<br>31st March 2019 | As at<br>31st March 2018 |
|---|--------------------------|--------------------------|
| Depreciation on Fixed Assets            | (6,069,040)              | (8,336,100)              |
| Provision for Doubtful Debts            | 109,732,306              | 112,078,286              |
| Provision for Employee Benefits (AS-15) | 46,911,664               | 39,846,958               |
| Other Disallowances                     | 45,925,001               | 15,249,195               |
| <b>Total</b>                            | <b>196,499,931</b>       | <b>158,838,339</b>       |

\* 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 ₹)

| Long term Loans and Advances                          | As at<br>31st March 2019 | As at<br>31st March 2018 |
|---|--------------------------|--------------------------|
| (Unsecured, Considered Good Unless Stated Otherwise)  |                          |                          |
| Advance for Works:                                    |                          |                          |
| -Mobilization Advance Secured Against BG              | 144,721,483              | 436,566,985              |
| -Secured against Material                             | 5,994,952                | -                        |
| -Other Advances                                       | 186,327,335              | 162,533,540              |
| Other Advances Considered Doubtful                    | 57,880,446               | 57,880,446               |
|   | <b>394,924,216</b>       | <b>656,980,971</b>       |
| Less: Allowance for Bad & Doubtful Advances           | 57,880,446               | 57,880,446               |
| Staff Loans & Advances                                | 1,294,643                | 2,331,230                |
| Security & Retention Money                            | 2,070,202,196            | 1,458,625,096            |
| Considered Doubtful                                   | 85,312,179               | 88,531,569               |
|   | <b>2,155,514,375</b>     | <b>1,547,156,665</b>     |
| Less: Allowance for Bad & Doubtful Recoveries         | 85,312,179               | 88,531,569               |
| Advance Tax /TDS Recoverable                          | 430,936,314              | 557,675,160              |
| Less: Provision for Income Tax                        | 74,945,696               | 269,798,903              |
| Advance Tax (Foreign)                                 | 51,941,323               | 51,941,323               |
| MAT Credit (A.Y. 2018-19)                             | -                        | 2,880,365                |
| Indirect Tax (Recoverable, Input Tax Credit, Advance) | 251,658,583              | 147,927,724              |
| <b>Total</b>  | <b>3,068,131,133</b>     | <b>2,550,682,520</b>     |



## Note No. 2.12

(Amount in ₹)

| Other Non Current Assets                      | As at<br>31st March 2019                | As at<br>31st March 2018      |
|---|---|-------------------------------|
| Trade Receivables                             |   |                               |
| Unsecured Considered Good                     | <b>601,357,993</b>                      | 634,411,595                   |
| Considered Doubtful                           | <b>26,675,215</b>                       | 69,939,383                    |
|   | <b>628,033,208</b>                      | 704,350,978                   |
| Less: Allowance for Bad & Doubtful Recoveries | <b>26,675,215</b> <b>601,357,993</b>    | <u>69,939,383</u> 634,411,595 |
| <b>Other Assets</b>                           |   |                               |
| Recoverable from Clients, Vendors & Others    | <b>2,012,209,093</b>                    | 1,904,107,664                 |
| Considered Doubtful                           | <b>158,829,458</b>                      | <u>119,373,159</u>            |
|   | <b>2,171,038,551</b>                    | 2,023,480,823                 |
| Less: Allowance for Bad & Doubtful Recoveries | <b>158,829,458</b> <b>2,012,209,093</b> | 119,373,159    1,904,107,664  |
| <b>Total</b>                                  | <b>2,613,567,086</b>                    | 2,538,519,259                 |

## Note No. 2.13

(Amount in ₹)

| Inventories                       | As at<br>31st March 2019 | As at<br>31st March 2018 |
|-----------------------------------|--------------------------|--------------------------|
| Materials :(Lower of Cost or NRV) |                          |                          |
| -Steel                            | <b>1,836,355</b>         | <b>9,261,365</b>         |
| -Cement                           | <b>40,798</b>            | <b>1,862,625</b>         |
| -Pipes & Others                   | -                        | <b>7,616,318</b>         |
| <b>Total</b>                      | <b>1,877,153</b>         | 18,740,308               |



## Note No. 2.14

(Amount in ₹)

| Trade Receivables                             | As at<br>31st March 2019 | As at<br>31st March 2018 |
|---|--------------------------|--------------------------|
| Trade Receivables                             |                          |                          |
| Unsecured Considered Good Outstanding For:-   |                          |                          |
| - Less Than Six Months                        | <b>3,344,145,148</b>     | 3,517,500,639            |
| - More Than Six Months                        | <b>127,393,552</b>       | 93,490,650               |
| Considered Doubtful                           | -                        | -                        |
|   | <b>3,471,538,700</b>     | 3,610,991,289            |
| Less: Allowance for Bad & Doubtful Recoveries | -                        | -                        |
| <b>Total</b>                                  | <b>3,471,538,700</b>     | 3,610,991,289            |

## Note No. 2.15 (i)

(Amount in ₹)

| Cash and cash equivalents                         | As at<br>31st March 2019 | As at<br>31st March 2018 |
|---|--------------------------|--------------------------|
| Balances With Banks                               |                          |                          |
| Balances With Banks                               |                          |                          |
| -In Current Accounts*                             | <b>512,678,819</b>       | 99,06,73,547             |
| -Fixed Deposit (With Maturity<br>Upto 3 Months)** | <b>2,090,277,167</b>     | 2,520,724,210            |
| Cash on Hand                                      | <b>15,205</b>            | 200,309                  |
| <b>Total</b>                                      | <b>2,602,971,191</b>     | 3,51,15,98,066           |

## Note No. 2.15 (ii)

(Amount in ₹)

| Other Bank Balances  | As at<br>31st March 2019 | As at<br>31st March 2018 |
|--|--------------------------|--------------------------|
| Fixed Deposits #<br>(pledged against Margin Money/<br>Earnest Money)               | <b>29,545,665</b>        | 27,259,833               |
| Fixed Deposit **<br>(With Maturity More Than 3 Months<br>but less than 12 months)" | <b>757,900,000</b>       | 383,685,875              |
| <b>Total</b>   | <b>787,445,665</b>       | 410,945,715              |



\*\*Out of the above Balance in Current Account ₹ 33,09,96,373 (previous year ₹ 49,98,89,671) is held as deposit on behalf of client.

\*\*Out of the above Balance in Fixed Deposits ₹ 274,52,06,575 (previous year ₹ 275,29,18,432) is held as deposit on behalf of client. Out of the above balance of fixed deposits amounting to ₹ 209,02,77,167 (previous year ₹ 2,52,07,24,209), FDRs of ₹ 26,50,00,000 (previous year Nil) is pledged with Dena Bank against overdraft taken from Dena Bank.

# As on 31.03.2019 Company has pledged fixed deposits amounting to ₹ 2,95,45,665 (Previous year ₹ 2,72,59,833) with clients/others on account of earnest money deposit/security deposit out of which fixed deposit of ₹ 71,96,747 (previous year ₹ 67,61,378), submitted to Client is under dispute, matter is sub-judice.

## Note No. 2.16

(Amount in ₹)

| Short Term Loan & Advances                            | As at<br>31st March 2019 | As at<br>31st March 2018 |
|---|--------------------------|--------------------------|
| (Unsecured, Considered Good Unless Stated Otherwise)  |                          |                          |
| Advance for Works:                                    |                          |                          |
| -Mobilization Advance Secured Against BG              | <b>1,007,035,682</b>     | 1,618,728,799            |
| -Secured Against Material                             | <b>89,750,314</b>        | 133,290,238              |
| -Other Advances                                       | <b>32,396,110</b>        | 69,832,289               |
| Indirect Tax (Recoverable, Input Tax Credit, Advance) | <b>428,503,605</b>       | 465,497,580              |
| Staff Loans & Advances                                | <b>2,603,222</b>         | 3,651,806                |
| Security, Retention & Earnest Money Receivable        | <b>343,447,958</b>       | 767,685,485              |
| <b>Total</b>  | <b>1,903,736,891</b>     | 3,058,686,197            |

## Note No. 2.17

(Amount in ₹)

| Other Current Assets                          | As at<br>31st March 2019 | As at<br>31st March 2018 |
|---|--------------------------|--------------------------|
| Interest Accrued but not due on Bank Deposits | <b>23,664,164</b>        | 39,316,143               |
| Prepaid Expenses                              | <b>67,757,570</b>        | 87,267,847               |
| Recoverable from Clients, Vendors & Others    | <b>1,010,271,118</b>     | 1,102,134,755            |
| Unbilled Revenue                              | <b>2,503,077,364</b>     | 2,131,928,649            |
| <b>Total</b>                                  | <b>3,604,770,216</b>     | 3,360,647,394            |



### Note No. 2.18

(Amount in ₹)

| Revenue From Operations | For the Year ended<br>31st March 2019 | For the Year ended<br>31st March 2018 |
|-------------------------|---------------------------------------|---------------------------------------|
| Value of Work Done      | 17,896,705,983                        | 16,071,439,585                        |
| Other Operating Income  | 13,780,821                            | 2,658,922                             |
| <b>Total</b>            | <b>17,910,486,804</b>                 | <b>16,074,098,507</b>                 |

### Note No. 2.19

(Amount in ₹)

| Other Income   | For the Year ended<br>31st March 2019 | For the Year ended<br>31st March 2018 |
|--|---------------------------------------|---------------------------------------|
| Interest Income earned on<br>Deposits with Bank        | 7,336,407                             | 12,872,589                            |
| Staff Advances   | 134,608                               | 226,098                               |
| Other (Sub Contractor /Clients /I. T. Refund)          | 19,031,280                            | 61,287,080                            |
| Other non-Operating Income                             |                                       | 74,385,767                            |
| Unspent Liabilities/ Balances Written Back             | 5,859,771                             | 8,473,850                             |
| Miscellaneous Income                                   | 14,957,974                            | 19,951,449                            |
| Reversal of Provision for Expected<br>Loss as per AS-7 | 4,441,131                             | 49,868,122                            |
|  | 25,258,876                            | 78,293,421                            |
| <b>Total</b>   | <b>51,761,171</b>                     | <b>152,679,188</b>                    |

### Note No. 2.20

(Amount in ₹)

| Operating Expenses                        | For the Year ended<br>31st March 2019 | For the Year ended<br>31st March 2018 |
|---|---------------------------------------|---------------------------------------|
| Civil, Mechanical, Electrical Works       | 16,958,143,053                        | 14,895,069,195                        |
| Design & Consultancy Charges              | 33,825,832                            | 58,423,775                            |
| Other Direct Expenditure                  | 65,390,002                            | 58,683,273                            |
| Provision for Expected Loss (As per AS-7) | 98,175,271                            | -                                     |
| Claims Paid                               | 10,359,904                            | 2,056,189                             |
| Royalty                                   | 1,244,304                             | 461,850                               |
| <b>Total</b>                              | <b>17,167,138,366</b>                 | <b>15,014,694,282</b>                 |



## Note No. 2.21

(Amount in ₹)

| Employee Remuneration and Benefits            | For the Year ended<br>31st March 2019 | For the Year ended<br>31st March 2018 |
|---|---------------------------------------|---------------------------------------|
| Salary & Allowances #                         | 590,215,570                           | 594,862,128                           |
| Contribution to Provident & Gratuity Funds \$ | 46,643,701                            | 108,560,788                           |
| Staff Welfare Expenses *                      | 125,195,106                           | 81,792,850                            |
| <b>Total</b>                                  | <b>762,054,377</b>                    | <b>785,215,766</b>                    |

# Salary & Allowances includes a provision of ₹ 1,92,75,953 (previous year ₹ 3,68,03,797) created on account of Pay Revision (3rd PRC).

\$ Includes an amount of ₹ 25,27,384 (previous year ₹ 45,915) 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 ₹)

| Finance Cost            | For the Year ended<br>31st March 2019 | For the Year ended<br>31st March 2018 |
|-------------------------|---------------------------------------|---------------------------------------|
| <b>Interest Paid to</b> |                                       |                                       |
| - Bank                  | 20,340,248                            | 3,982,232                             |
| - Others                | 29,807,733                            | 44,588,132                            |
| <b>Total</b>            | <b>50,147,981</b>                     | <b>48,570,364</b>                     |



## Note No. 2.23

(Amount in ₹)

| Other Expenses  | For the Year ended<br>31st March 2019 | For the Year ended<br>31st March 2018 |
|---|---------------------------------------|---------------------------------------|
| Printing & Stationery                                   | 6,711,723                             | 8,434,043                             |
| Rates & Taxes   | 6,177,667                             | 5,901,778                             |
| Postage & Telecommunication                             | 11,024,430                            | 13,497,727                            |
| Repair & Maintenance                                    |                                       |                                       |
| Office  | 32,990,096                            | 35,368,297                            |
| Building  | 7,652,920                             | 1,463,237                             |
| Other Fixed Assets                                      | 81,952                                | 107,577                               |
| Water Power & Fuel charges                              | 9,577,721                             | 11,597,149                            |
| Tendering Expenses                                      | 1,800,587                             | 1,475,897                             |
| Advertisement & Publicity                               | 2,505,878                             | 6,736,146                             |
| Legal & Professional Charges                            | 31,318,527                            | 31,138,705                            |
| Advisors On Contract                                    | 1,006,904                             | 5,051,458                             |
| Insurance   | 3,210,927                             | 4,108,134                             |
| Entertainment   | 1,237,767                             | 1,461,336                             |
| Bank Charges  | 10,458,446                            | 13,121,324                            |
| Vehicle Running & Maintenance                           | 1,910,302                             | 2,679,674                             |
| Manpower Development                                    | 1,940,515                             | 138,182                               |
| Loss on sale of Fixed Assets                            | 75,104                                | 109,501                               |
| Sponsorship Fee   | -                                     | 115,000                               |
| Travelling & Other Incidental Expenses (Domestic) \$    | 58,058,083                            | 67,527,190                            |
| Travelling & Other Incidental Expenses (Foreign)        | 4,904,064                             | 4,616,831                             |
| CSR & Sustainability *                                  | -                                     | 48,000                                |
| Auditor's Remuneration @                                | 1,818,210                             | 1,675,163                             |
| Business Promotion                                      | 2,844,365                             | 49,903,818                            |
| Office Rent   | 12,012,390                            | 11,419,024                            |
| Computer Expenses                                       | 5,843,168                             | 4,187,130                             |
| Membership & Subscription Fee                           | 168,290                               | 307,762                               |
| Filing & Registration Fee                               | 747,996                               | 37,555                                |
| Provision for Doubtful Debts, Loans & Advances & Others | 46,981,270                            | 41,301,295                            |
| Amounts Written off for Doubtful Recovery               | 583,160                               | 2,946,497                             |
| Foreign Exchange Variation (Gain)/ Loss                 | (8,076,745)                           | (11,133,710)                          |
| Miscellaneous Expenses                                  | 3,977,425                             | 11,378,641                            |
| <b>Total</b>  | <b>259,543,142</b>                    | <b>326,720,361</b>                    |

\$ Travelling and other incidental expenses includes ₹ 68,00,684 towards site living hardship expenses (previous year ₹ 80,62,540) and travelling expenses of directors ₹ 21,60,754 (previous year ₹ 21,17,309).

\* 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 ₹ 1,33,000 (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 ₹)

| Auditors' Remuneration#            | For the Year ended<br>31st March 2019 | For the Year ended<br>31st March 2018 |
|------------------------------------|---------------------------------------|---------------------------------------|
| Audit Fee                          | 1,449,518                             | 1,269,375                             |
| Tax Audit                          | 320,692                               | 293,088                               |
| Other Services (Certification fee) | 48,000                                | 102,600                               |
| Other Expenses                     | -                                     | 10,100                                |
| <b>Total</b>                       | <b>1,818,210</b>                      | <b>1,675,163</b>                      |

# Auditors Remuneration are recorded without GST amount.

**Note No. 2.24**

(Amount in ₹)

| Prior Period Adjustments (Net)     | For the Year ended<br>31st March 2019 | For the Year ended<br>31st March 2018 |
|------------------------------------|---------------------------------------|---------------------------------------|
| Income                             |                                       |                                       |
| Operating Income                   | -                                     | -                                     |
| Other Income                       | 1,581,792                             | -                                     |
| Less: Expenses                     |                                       |                                       |
| Operating Expenses                 | 999,046                               | 16,692,000                            |
| Employee Remuneration and Benefits | -                                     | -                                     |
| Depreciation                       | -                                     | -                                     |
| Others                             | 1,229,603                             | 2,295,494                             |
| <b>Total</b>                       | <b>(646,857)</b>                      | <b>(18,987,494)</b>                   |

**Note No. 2.25**

The consolidated financial statements relate to Engineering Projects (India) Limited (The Company) and its subsidiary Company, incorporated in India (The Group).

The subsidiary considered in the consolidated financial statements are as under:

| Sr. No. | Name of Subsidiary/<br>Joint Venture* | Relationship | Percentage of ownership interest |                     | Share of Subsidiary and Jointly Controlled Entity Profit/(Loss) included in Consolidated Statement of Profit and Loss Account (Amount in ₹) |                                     |
|---------|---------------------------------------|--------------|----------------------------------|---------------------|---|-------------------------------------|
|         |                                       |              | As at<br>31.03.2019              | As at<br>31.03.2018 | For the year<br>ended<br>31.03.2019   | For the year<br>ended<br>31.03.2018 |
| 1.      | EPI Urban Infra Developers Limited    | Subsidiary   | 51%                              | 51%                 | (84,283)  | (1,66,409)                          |

\* Unaudited Financial Statements of Subsidiary Company are considered in the Consolidated Financial Statements of the Group.



## Note No. 2.26

(Amount in ₹)

| Contingent Liabilities and Commitments |   | As at 31.03.19 | As at 31.03.18 |
|--|---|----------------|----------------|
|  | 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*                          | 4,65,45,33,142 | 3,40,41,18,879 |
| b                                      | In respect of cases where awards are published in favour of company but defendants have gone to appeal.*                                | 60,97,00,996   | 18,33,39,791   |
| 2                                      | In respect of Income Tax/ Sales Tax / Works Contract Tax/ Service Tax demand in respect of completed assessments under dispute/appeals# | 50,02,42,916   | 47,85,53,255   |
| 3                                      | In respect of Guarantees issued on behalf of Client   | 1,42,54,453    | 1,42,54,453    |

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

# An amount of ₹ 45,11,772 has been deposited against the above disputed demand.

## Note No. 2.27

Estimated amount of contracts remaining to be executed on Development of Intangible Asset and not provided for ₹ 79,95,000 (previous year ₹ 64,05,196) on account of implementation of ERP and amount of ₹ 37,37,256 has been capitalised during FY 2018-19 in this respect.

## Note No. 2.28

### Expenditure in Foreign Currency:

(Amount in ₹)

| Sl.No. | Particulars                                | Year ended 31.03.19    | Year ended 31.03.18   |
|--------|--|------------------------|-----------------------|
| 1      | Operational Expenditure                    | 10,66,69,81,771        | 7,38,58,20,302        |
| 2      | Professional & Consultancy Charges         | 13,53,103              | 1,56,89,866           |
| 3      | Foreign Exchange Fluctuation Loss          | 9,77,405               | 77,779                |
| 4      | Purchase of Fixed Assets                   | 4,31,636               | 2,00,991              |
| 5      | <b>Administrative &amp; Other Expenses</b> |                        |                       |
| a      | Travel                                     | 90,60,075              | 1,12,29,660           |
| b      | Tendering Expenses                         | -                      | 38,916                |
| c      | Others                                     | 7,51,85,556            | 5,14,23,150           |
|        | <b>Total</b>                               | <b>10,75,39,89,546</b> | <b>7,46,44,80,664</b> |



## Earning in foreign currency:

(Amount in ₹)

| Sl.No. | Particulars                       | Year ended 31.03.19    | Year ended 31.03.18   |
|--------|-----------------------------------|------------------------|-----------------------|
| 1      | Work Receipts                     | 11,16,14,95,122        | 7,95,44,96,532        |
| 2      | Interest Income                   | 52,54,063              | 6,74,734              |
| 3      | Foreign Exchange Fluctuation Gain | 90,54,150              | 1,07,21,332           |
| 4      | Others                            | 2,04,886               | 40,15,006             |
|        | <b>Total</b>                      | <b>11,17,60,08,221</b> | <b>7,96,99,07,604</b> |

Foreign exchange remitted from Oman ₹ 56,30,90,474 equivalent USD 80,75,000 during the financial year 2018-19 (previous year ₹ 43,01,98,234 equivalent USD 66,90,000).

### Note No. 2.29

- a) Company has utilised non fund based credit limits of ₹ 5,99,94,68,247 (Previous year ₹ 713,75,06,067) against sanctioned limit of ₹ 759,86,00,000 (previous year ₹ 962,80,10,485) from various banks without any security. This includes ₹ 75,90,00,000 towards project to be executed in Myanmar by EPI-C&C JV, which includes ₹ 45,54,00,000 towards bank guarantee issued on behalf of its lead partner i.e. C&C Constructions Limited and ₹ 30,36,00,000 on its own behalf.
- b) In lieu of BG provided by EPIL for ₹ 45,54,00,000 on behalf of C&C Constructions Limited in Myanmar Project, EPIL has received ₹ 10,12,36,194 and balance is secured against work done in Oman.

### 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 ₹)

| Particulars   | Current Year                 |                 |                |                 | Previous Year                |                |                |                 |
|---|------------------------------|-----------------|----------------|-----------------|------------------------------|----------------|----------------|-----------------|
|   | Domestic                     | Foreign         | Un-allocated   | Total           | Domestic                     | Foreign        | Un-allocated   | Total           |
| <b>Type of Business</b>   | <b>Construction</b>          |                 |                |                 | <b>Construction</b>          |                |                |                 |
| Revenue from Operation  | 6,74,89,91,682               | 11,16,14,95,122 | -              | 17,91,04,86,804 | 8,11,96,01,975               | 7,95,44,96,532 | -              | 16,07,40,98,507 |
| Other Income  | 3,46,45,247                  | 54,58,949       | 1,16,56,975    | 5,17,61,171     | 13,45,89,467                 | 46,89,740      | 1,33,99,981    | 15,26,79,188    |
| Total Income  | 6,78,36,36,929               | 11,16,69,54,071 | 1,16,56,975    | 17,96,22,47,975 | 8,25,41,91,442               | 7,95,91,86,272 | 1,33,99,981    | 16,22,67,77,695 |
| Results   |                              |                 |                |                 |                              |                |                |                 |
| Profit before Interest, Depreciation and Tax                        | (27,89,07,380)               | 24,64,12,177    | (19,46,39,565) | (22,71,34,768)  | 7,48,85,635                  | 42,11,63,852   | (41,48,89,697) | 8,11,59,791     |
| Interest  | 1,72,11,612                  | -               | 3,29,36,369    | 5,01,47,981     | 4,46,16,614                  | 3,350          | 39,50,400      | 4,85,70,364     |
| Depreciation  | 59,79,738                    | 7,84,710        | 1,21,99,128    | 1,89,63,576     | 63,46,411                    | 7,69,907       | 83,51,557      | 1,54,67,875     |
| Profit before Tax   | (30,20,98,730)               | 24,56,27,467    | (23,97,75,062) | (29,62,46,325)  | 2,39,22,610                  | 42,03,90,595   | (42,71,91,653) | 1,71,21,553     |
| Profit After Tax  | (30,20,98,730)               | 20,21,96,839    | (23,04,22,749) | (33,03,24,640)  | 2,39,22,610                  | 35,99,79,638   | (38,27,24,761) | 11,77,487       |
| Capital Expenditure Addition to Tangible and Intangible Assets)     | 10,27,592                    | 3,31,636        | 48,76,039      | 62,35,267       | 60,27,382                    | 2,00,991       | 59,44,581      | 1,21,72,954     |
| <b>Other Information</b>  | <b>As at 31st March 2019</b> |                 |                |                 | <b>As at 31st March 2018</b> |                |                |                 |
| Total Assets  | 11,53,77,77,338              | 5,06,41,31,070  | 1,73,15,48,140 | 18,33,34,56,548 | 11,60,32,84,923              | 5,43,25,60,618 | 2,27,97,17,064 | 19,31,55,62,605 |
| Property, Plant and Equipment & Intangible Assets (Carrying Amount) | 2,77,06,446                  | 35,05,394       | 5,17,06,741    | 8,29,18,581     | 3,26,75,756                  | 41,22,197      | 5,91,15,572    | 9,59,13,525     |
| Total Liabilities   | 10,18,10,68,168              | 5,10,59,11,037  | 1,06,96,41,857 | 16,35,66,21,062 | 11,02,31,28,763              | 5,49,86,49,817 | 48,65,42,922   | 17,00,83,21,502 |



### Note No. 2.31

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

(Amount in ₹)

| Sl. No. | Particulars  | As at 31.03.2019         | As at 31.03.2018 |
|---------|--|--------------------------|------------------|
| 1       | Revenue from operations  | <b>17,91,04,86,804</b>   | 16,07,40,98,507  |
| 2       | Contract costs incurred and profit recognised upto the reporting date                                | <b>1,11,30,58,86,681</b> | 97,90,36,11,580  |
| 3       | Advances received  | <b>4,07,30,98,741</b>    | 5,77,25,91,404   |
| 4       | Gross amount due from customers for contract work presented as an asset (Unbilled Revenue)           | <b>2,50,30,77,364</b>    | 2,13,19,28,649   |
| 5       | Gross amount due to customers for contract work presented as a liability. (Advance Revenue for Work) | <b>88,69,20,666</b>      | 79,09,83,769     |
| 6       | Retention money Receivable   | <b>2,00,83,98,466</b>    | 1,84,77,37,062   |

Management has made an assessment and found that fresh provision of ₹ 9,81,75,271 required to be created on account of expected future loss on various projects in accordance with AS-7 issued by ICAI. However provision of ₹ 44,41,131 made in earlier years for expected loss has been reversed during the year.



## Note No. 2.32

### Details of Employee benefits as per AS-15:-

i) Changes in defined benefit obligation

(Amount in ₹)

| 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   | 7.50%<br>(7.85%)              | 7.50%<br>(7.85%)               | 7.50%<br>(7.85%)              | 7.80%<br>(7.85%)   | 7.50%<br>(7.85%)                 |
| Rate of increase in compensation levels/<br>Premium Inflation/ Cost of Travel | 5.00%                         | 5.00%                          | -                             | 0.50%  | 3.00%                            |
| Expected rate of return on assets   | 7.50%<br>(7.85%)              | -                              | -                             | -  | -                                |
| Retirement Age *  | 60 years                      | 60 years                       | 60 years                      | 60 years   | 60 years                         |
| Mortality Table*  | IALM<br>(2006-08)<br>Ultimate | IALM<br>(2006-08)<br>Ultimate  | IALM<br>(2006-08)<br>Ultimate | Pre-retirement:<br>IALM (2006-08)<br>Ultimate Post<br>Retirement: LIC<br>(1996-98) Ult | IALM<br>(2006-08)<br>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 ₹)

| 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 | 18,74,03,962<br>(12,83,38,870) | 12,91,86,917<br>(13,47,23,447) | 30,66,275<br>(44,87,540)  | 17,60,55,625<br>(18,46,51,434)  | 2,96,878<br>(7,84,605)           |
| Current service cost                                  | 79,35,479<br>(84,03,139)       | 89,95,901<br>(80,48,040)       | 73,420<br>(3,27,967)      | 62,66,405<br>(71,36,293)        | 22,932<br>(55,879)               |
| Interest cost   | 1,36,91,482<br>(95,17,860)     | 93,06,177<br>(95,03,991)       | 2,13,867<br>(3,24,496)    | 1,33,47,097<br>(1,34,85,962)    | 21,368<br>(54,994)               |
| Actuarial (Gain)/loss                                 | (1,01,57,565)<br>((1214116))   | 3,36,64,696<br>(8858597)       | (7,95,744)<br>((1548254)) | 1,65,71,112<br>((4712548))      | 1,18,004<br>((571385))           |
| Acquisition adjustment                                | -<br>-                         | -<br>-                         | -<br>-                    | -<br>-                          | -<br>-                           |
| Benefits Paid   | (2,59,80,355)<br>((17656355))  | (3,05,30,691)<br>((31947158))  | (6,93,990)<br>((525474))  | (2,71,93,598)<br>((24505516))   | (1,03,113)<br>((27215))          |
| Past Service Cost                                     | -<br>(6,00,14,564)             |                                |                           |                                 |                                  |
| Projected Benefit Obligation at end of year           | 17,28,93,003<br>(18,74,03,962) | 15,06,23,000<br>(12,91,86,917) | 18,63,828<br>(30,66,275)  | 18,50,46,641<br>(17,60,55,625)  | 3,56,069<br>(2,96,878)           |

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

(Amount in ₹)

| Particulars   | 2018-19       | 2017-18       |
|---|---------------|---------------|
|   | (Funded)      | (Funded)      |
| Fair value of Plan Assets as at beginning of the year | 11,96,01,444  | 12,40,12,636  |
| Expected Return on Plan Assets                        | 86,80,452     | 84,77,577     |
| Actual Contributions                                  | 6,78,02,518   | 43,26,234     |
| Actuarial Gain / (Loss)                               | (1,26,958)    | 4,41,352      |
| Benefits Paid   | (2,59,80,355) | (1,76,56,355) |
| Acquisition Adjustment                                | -             | -             |
| Fair value of Plan Assets as at end of the year       | 16,99,77,101  | 11,96,01,444  |



iii) Amount recognized in the Balance Sheet

(Amount in ₹)

| 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      | 17,28,93,003<br>(18,74,03,962) | 15,06,23,000<br>(12,91,86,917)     | 18,63,828<br>(30,66,275)     | 18,50,46,641<br>(17,60,55,625)     | 3,56,069<br>(2,96,878)           |
| Fair value of plan assets as at end of year        | 16,99,77,101<br>(11,96,01,444) | -<br>-                             | -<br>-                       | -<br>-                             | -<br>-                           |
| Funded Status Asset / (Liability)                  | (29,15,902)<br>((6,78,02,518)) | (15,06,23,000)<br>((12,91,86,917)) | (18,63,828)<br>((30,66,275)) | (18,50,46,641)<br>((17,60,55,625)) | (3,56,069)<br>((2,96,878))       |
| Net (Liability)/ Asset recognized in Balance Sheet | (29,15,902)<br>((6,78,02,518)) | (15,06,23,000)<br>((12,91,86,917)) | (18,63,828)<br>((30,66,275)) | (18,50,46,641)<br>((17,60,55,625)) | (3,56,069)<br>((2,96,878))       |

iv) Expenses recognized in the Profit and Loss Account

(Amount in ₹)

| 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                                | 79,35,479<br>(84,03,139)        | 89,95,901<br>(80,48,040)       | 73,420<br>(3,27,967)         | 62,66,405<br>(71,36,293)        | 22,932<br>(55,879)               |
| Interest cost                                       | 1,36,91,482<br>(95,17,860)      | 93,06,177<br>(95,03,991)       | 2,13,867<br>(3,24,496)       | 1,33,47,097<br>(1,34,85,962)    | 21,368<br>(54,994)               |
| Expected return on Plan Assets                      | (86,80,452)<br>((84,77,577))    | -<br>-                         | -<br>-                       | -<br>-                          | -<br>-                           |
| Net actuarial (Gain)/ Loss recognized in the period | (1,00,30,607)<br>((1,65,54,68)) | 3,36,64,696<br>(88,58,597)     | (7,95,744)<br>((1,54,82,54)) | 1,65,71,112<br>((4,71,25,48))   | 1,18,004<br>((5,71,385))         |
| Past Service Cost                                   | -<br>(6,00,14,564)              | -<br>-                         | -<br>-                       | -<br>-                          | -<br>-                           |
| Expenses recognized in the P & Loss A/c             | 29,15,902<br>(6,78,02,518)      | 5,19,66,774<br>(2,64,10,628)   | (5,08,457)<br>((8,95,791))   | 3,61,84,614<br>(1,59,09,707)    | 1,62,304<br>((4,60,512))         |



**(i) Comparative Data of last five years - Gratuity**

(Amount in ₹)

| S. No. | Particulars   | 31.03.19      | 31.03.18       | 31.03.17      | 31.03.16     | 31.03.15      |
|--------|---|---------------|----------------|---------------|--------------|---------------|
| a)     | Defined benefit obligation at the end of period         | 1 7,28,93,003 | 18,74,03,962   | 1 2,83,38,870 | 13,74,34,160 | 1 3,98,97,910 |
| b)     | Plan asset at the end of period                         | 1 6,99,77,101 | 11,96,01,444   | 1 2,40,12,636 | 12,98,03,738 | 1 3,54,84,798 |
| c)     | Funded Status   | ( 29,15,902)  | ( 6,78,02,518) | ( 43,26,234)  | ( 76,30,422) | ( 44,13,112)  |
| d)     | Experience adjustment on plan Liabilities (loss) / gain | ( 29,15,902)  | ( 6,78,02,518) | ( 43,26,234)  | ( 76,30,422) | ( 44,13,112)  |

**(ii) Comparative Data of last five years - Leave Encashment**

(Amount in ₹)

| S. No. | Particulars                                      | 31.03.19       | 31.03.18        | 31.03.17       | 31.03.16        | 31.03.15       |
|--------|--|----------------|-----------------|----------------|-----------------|----------------|
| a)     | Defined benefit obligation at the end of period  | 1 5,06,23,000  | 12,91,86,917    | 1 3,47,23,447  | 13,22,99,042    | 1 2,80,71,143  |
| b)     | Fair value of Plan asset at the end of period    | -              | -               | -              | -               | -              |
| c)     | Funded Status                                    | (15,06,23,000) | ( 12,91,86,917) | (13,47,23,447) | ( 13,22,99,042) | (12,80,71,143) |
| d)     | Net (Laibility)/Asset recognized inBalance Sheet | (15,06,23,000) | ( 12,91,86,917) | (13,47,23,447) | ( 13,22,99,042) | (12,80,71,143) |

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

(Amount in ₹)

| S. No. | Particulars                                       | 31.03.19     | 31.03.18     | 31.03.17     | 31.03.16     | 31.03.15     |
|--------|---|--------------|--------------|--------------|--------------|--------------|
| a)     | Defined benefit obligation at the end of period   | 18,63,828    | 30,66,275    | 44,87,540    | 51,49,456    | 61,76,600    |
| b)     | Fair value of Plan asset at the end of period     | -            | -            | -            | -            | -            |
| c)     | Funded Status                                     | ( 18,63,828) | ( 30,66,275) | ( 44,87,540) | ( 51,49,456) | ( 61,76,600) |
| d)     | Net (Laibility)/Asset recognized in Balance Sheet | ( 18,63,828) | ( 30,66,275) | ( 44,87,540) | ( 51,49,456) | ( 61,76,600) |



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

(Amount in ₹)

| S. No. | Particulars                                       | 31.03.19       | 31.03.18        | 31.03.17       | 31.03.16        | 31.03.15       |
|--------|---|----------------|-----------------|----------------|-----------------|----------------|
| a)     | Defined benefit obligation at the end of period   | 1 8,50,46,641  | 17,60,55,625    | 1 8,46,51,434  | 17,03,64,891    | 1 2,87,94,211  |
| b)     | Fair value of Plan asset at the end of period     | -              | -               | -              | -               | -              |
| c)     | Funded Status                                     | (18,50,46,641) | ( 17,60,55,625) | (18,46,51,434) | ( 17,03,64,891) | (12,87,94,211) |
| d)     | Net (Laibility)/Asset recognized in Balance Sheet | (18,50,46,641) | ( 17,60,55,625) | (18,46,51,434) | ( 17,03,64,891) | (12,87,94,211) |

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

(Amount in ₹)

| S. No. | Particulars                                       | 31.03.19    | 31.03.18    | 31.03.17    | 31.03.16    | 31.03.15 |
|--------|---|-------------|-------------|-------------|-------------|----------|
| a)     | Defined benefit obligation at the end of period   | 3,56,069    | 2,96,878    | 7,84,605    | 2,72,939    | -        |
| b)     | Fair value of Plan asset at the end of period     | -           | -           | -           | -           | -        |
| c)     | Funded Status                                     | ( 3,56,069) | ( 2,96,878) | ( 7,84,605) | ( 2,72,939) | -        |
| d)     | Net (Laibility)/Asset recognized in Balance Sheet | ( 3,56,069) | ( 2,96,878) | ( 7,84,605) | ( 2,72,939) | -        |

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 N. Sivanand, Joint Secretary, DHI was holding the additional charge of Chairman and Managing Director w.e.f. 15.06.2017 up to 14.09.2018. Shri N. Sivanand, CMD (Addl. Charge) was also entrusted with the additional charge of the post of Director (Projects) by DHI w.e.f. 01.07.2018 up to 14.09.2018. Thereafter 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.
- (ii) Key Management Personnel with whom there were transactions during the year:



- Shri Lekh Raj, Director (Finance) (w.e.f. 13.04.2017).
- Shri S.P.S. Bakshi, Chairman-cum-Managing Director (under suspension w.e.f. 20.03.2017 and superannuated on 30.09.2018)
- Shri Vinoo Gopal, Director (Projects) (superannuated on 30.06.2018).
- Shri Sushant Baliga, Part-Time Non-Official Director (Reappointed w.e.f 17.11.2018)
- Dr. Anita Chaudhary, Part-Time Non-Official Director (Reappointed w.e.f 30.11.2018)
- Smt. Sudha Venkata Vardhan, Company Secretary (Resigned on 1.10.2018)
- Smt. Deepika Mehta , Company Secretary (Appointed w.e.f 1.10.2018)

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 ₹)

| Particulars   | As on 31st March 2019 | As on 31st March 2018 | Nature |
|---|-----------------------|-----------------------|--------|
| Opening Balance (Amount Recoverable) {A}                      | 47,871                | 69,700                | Debit  |
| Reimbursement of Expenses on behalf of Subsidiary {B}         | 165,260               | 84,231                | Debit  |
| Amount Received from Subsidiary {C}                           | -                     | 1,06,060              | Credit |
| Closing Balance (Amount Recoverable) {D}<br>[ D = A + B - C ] | 2,13,131              | 47,871                | Debit  |

iv) A Joint Venture “EPI-C&C JV” (Unincorporated) was formed on 2<sup>nd</sup> 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 ₹ 3,03,744 towards 40% share in common expenditure of joint venture have been accounted for in the EPIL books of account during FY 2018-19.

During the year ending on 31<sup>st</sup> March 2019, no transaction was carried out between Engineering Projects (India) Ltd. & EPI-C&C JV. An advance of ₹ 3,35,646 was given to various parties during FY 2017-18 for EPI portion of work which is included under “other advances” in note no. 2.17.



v) The following transactions were carried out with related parties in ordinary course of business:

**Details of Directors Remuneration**

(Amount in ₹)

| Particulars                    | 2018-2019 | 2017-2018 |
|--------------------------------|-----------|-----------|
| Salary                         | 53,69,346 | 77,16,181 |
| Contribution to provident fund | 3,58,210  | 4,55,722  |
| House Rent                     | 4,02,825  | 10,58,632 |
| Medical Expenses               | 6,20,878  | 3,11,063  |
| Sitting Fees                   | 3,55,000  | 4,40,000  |

a) Shri Sivanand, CMD(Addl. Charge) and Shri S.S. Rawat CMD (Addl. Charge) are not employed in the company and no salary/allowances have been paid to them during the FY 2018-19.

**Related Parties in respect of Subsidiary Company**

**Key Managerial Personnel and Directors-**

1. Shri Kapil Tara, ED(WRO), EPI (under suspension from EPI w.e.f. 20.03.2017) as Part Time CEO, EPIUIDL
2. Shri Sudhir Shringare, Senior Associate Vice Preident, DCPL as part time CFO (resigned w.e.f. 13.07.2016 and the position is vacant).
3. Smt. Sudha Venkata Varadhan, CS (EPI) as Part Time CS, EPIUIDL (nomination withdrawn by EPIL consequent upon her resignation from EPIL w.e.f. 01.10.2018).
4. Shri S.P.S Bakshi, CMD, EPI and Part Time Chairman, EPIUIDL (under suspension from EPI w.e.f. 20.03.2017 and superannuated from EPI on 30.09.2018 and hence ceased as Part time Chairman, EPIUIDL on 30.09.2018)
5. Shri N.Sivanand, CMD (Addl Ch.), EPI and Part Time Director, EPIUIDL (consequent upon relinquishment from EPIL, he relinquished from EPIUIDL w.e.f. 14.09.2018).
6. Shri Vinoo .Gopal, Director (Projects), EPI and Part Time Director, EPIUIDL [Superannuated from EPI and hence ceased as Part Time Director" EPIUIDL on 30.06.2018)
7. Shri Sushant Baliga, Independent Director, EPI and Part Time Director, EPIUIDL. (resigned from EPIUIDL on 31.05.2019).
8. Shri Nandkishor Motilal Shah, Part Time Director representing BUIDPL.
9. Shri Baman Keki Dinshah Bamanji Mehta, Part Time Director representing DCPL.

During the year, no transaction was carried out with related parties in ordinary course of business.

**Note No. 2.34**

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

| Particulars | As at 31 March 2019 |           | As at 31 March 2018 |           |
|-------------|---------------------|-----------|---------------------|-----------|
|             | Quantity (MT)       | Value (₹) | Quantity (MT)       | Value (₹) |
| CEMENT      | 8.53                | 40,798    | 376                 | 18,62,625 |
| STEEL       | 21.69               | 18,36,355 | 224                 | 92,61,365 |
| STEEL PIPES | -                   | -         | 26390(RMT)          | 76,16,318 |

**Note No. 2.35**

As decided by Cabinet Committee on Economic Affairs (CCEA), the process of strategic disinvestment of Engineering Projects (India) Ltd. by acquisition through similarly placed CPSE is in progress.



### Note No. 2.36

Disclosure under Accounting Standard-29 on “Provisions, Contingent Liabilities and Contingent Assets”:

(Amount in ₹)

| 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* | 33,57,24,557        | 4,69,81,270                    | 5,40,08,529               | -                      | <b>32,86,97,298</b> |
| Employee Benefits      | 37,64,08,213        | 9,07,21,137                    | 12,63,23,910              | -                      | <b>34,08,05,440</b> |
| Pay Revision (3rd PRC) | 5,43,03,797         | 1,92,75,953                    | -                         | -                      | <b>7,35,79,750</b>  |
| <b>Total</b>           | <b>76,64,36,567</b> | <b>15,69,78,360</b>            | <b>18,03,32,439</b>       | -                      | <b>74,30,82,488</b> |
| Previous Year          | 64,50,77,523        | 18,68,71,642                   | 6,13,31,597               | 41,81,001              | <b>76,64,36,567</b> |

\* Provision made for receivable amount on project basis (net of payable).

In view of the claims of EPI upon UB Engineering Limited (UBEL) under consideration by the liquidator as per NCLT order, during the year a provision of ₹ 4 crore in addition to ₹ 12 crore provision made upto 31st March 2019 (total provision of ₹ 16 crore as on 31st March 2019) has been considered reasonable by the management in the present situation and provided for in the books of accounts, which has been included above under project contingencies against the outstanding dues of ₹ 16 crore (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 31<sup>st</sup> March 2019.

### 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 ₹ 1,33,000 (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 loss after tax ₹ 33,03,34,640 (previous year profit of ₹ 13,53,896) by 3,54,22,688 fully paid up equity share of ₹10 each.

|  | 2018-19 | 2017-18 |
|--|---------|---------|
| Basic and diluted earnings per share ( ₹ ) | (9.33)  | 0.03    |



## Note No. 2.40

A subsidiary Company of EPI was incorporated on 19<sup>th</sup> 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, EPI 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 01<sup>st</sup> 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 ₹ 5,10,000/- in subsidiary company.

| Sl.No. | Particulars                      | Year ended 31.03.19 | Year ended 31.03.18 |
|--------|----------------------------------|---------------------|---------------------|
| 1.     | Revenue From Operations          | -                   | -                   |
| 2.     | Other Expenses                   | 1,65,260            | 3,26,293            |
| 3.     | Profit/ (Loss)                   | (1,65,260)          | (3,26,293)          |
| 4.     | Share of Minority Interest (49%) | (80,977)            | (1,59,884)          |
| 5.     | Group’s Share (51%)              | (84,283)            | (1,66,409)          |

## 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 EPI due to poor quality of pipes and asked EPI to replace the same with good ones. EPI released the payment to Chinese supplier, however EPI 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 EPI for ₹ 17.25 crore (approximate) and now EPI 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 ₹ 13.27 crore (considering residual value of the pipes) out of which ₹ 7.36 crore have already been accounted till the FY 2017-18 and further Loss of ₹ 5.96 crore accounted for during the FY 2018-19 and no loss is anticipated in this regard in future.

#### **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 realisation 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**

Expenditure/income relating to prior period and prepaid expenses not exceeding ₹1,00,000/- in each case, are treated as expenditure/income of the current year, as against ₹ 50,000/- in the previous year. As a result, the current year expenses are higher by ₹ 1,37,047, profit is lower by ₹1,37,047 and Current Assets are lower by ₹1,37,047.

#### **Note No. 2.46**

- a) Total amount receivable from M/s Uranium Corporation of India Ltd (UCIL) on account of Trade receivable, Retention & other recoverable stands at ₹ 23,68,95,695/- as on 31.03.2019. The above amount is more than 10 years old & is under constant persuasion for realisation. Pending final settlement, based on experience/progress/assessment of the matter by the management, a provision of ₹ 4,43,77,000/- is made upto 31.03.2019.
- 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 ₹ 43,06,21,757/- as on 31.03.2019, 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 ₹ 83,29,77,163/- 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 ₹ 4,30,49,500/-, excess recovered against mobilisation 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. 2.47**

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. 2.48**

UB Engineering Ltd. (UBEL) was awarded the Rural Electrification Works in Moradabad and Bijnor districts of Uttar Pradesh in the year 2005 by Paschimanchal Vidyut Vitran Nigam Ltd. (PVVNL). The UBEL in turn subcontracted the said work to Engineering Projects (India) Ltd. (EPI) by an MOU entered into between UBEL & EPI. During the financial year 2016-17 UBEL initiated Corporate Insolvency Resolution process under section 10 of the Insolvency and Bankruptcy Code 2016. The National Company Law Tribunal (NCLT) Mumbai bench admitted the application of UBEL.

NCLT Mumbai bench pronounced the liquidation of UBEL vide order dated 05.12.2017. EPI lodged its claim with the liquidator on 04.01.2018. Liquidator rejected the claims lodged by EPI. In response, EPI approached Hon’ble NCLT challenging the rejection of EPI’s claims by the Liquidator. Hon’ble NCLT vide its order dated 02.05.2018 set aside the Liquidator’s order dated 13.01.2018 and directed Liquidator to consider the claims submitted by EPI and pass a reasoned order with a liberty to EPI to approach Hon’ble NCLT if the claim is again rejected. Pursuant to the said order dated 02.05.2018, the Liquidator issued new order dated 03.02.2015 wherein he denied issuing earlier order dated 13.01.2018 and further stated that arrangements between EPI and UBEL was joint venture and not operational creditor and therefore claims should be filed in form ‘G’ being ‘other stakeholders’.

As per books of accounts, as on 31.03.2019, EPI has outstanding dues to the tune of ₹ 23.16 crore receivable from UBEL (Included in Note No 2.11 & 2.12) and net amount payable to contractors / vendors pertaining to this project is ₹ 7.16 crore. As per contract conditions, the contractor shall become entitled to payment only after EPI has received the corresponding payment(s) from the Client.

In view of ongoing insolvency / liquidation proceedings of UBEL, EPI made a provision of ₹ 12.00 crore upto the previous year against the amount recoverable from UBEL. Management considers a further provision of ₹ 4.00 crore as reasonable estimate against outstanding dues from UBEL in the books of accounts of EPI during the year 2018-19 so as to make provision of ₹ 16.00 crore being net receivable amount (Rs. 23.16 crore receivable from UBEL less ₹ 7.16 crore payable to sub-contractors on back to back basis).

#### **Note No. 2.49**

Head office expenditure on account of salary and other related costs amounting to ₹ 15,60,61,529 has been allocated to Oman during the FY 2018-19 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. 2.50

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 ₹ 2,05,30,408 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 ₹ 4,92,404 (Previous year ₹ 8,88,466) 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 ₹ 4,45,296 (Previous year ₹ 4,92,404)
- ii) Payable later than 1 year and not later than 5 years ₹ 7,79,268 (Previous year ₹ 12,24,564).
- iii) Payable later than 5 years Nil. (Previous year Nil)

### Note No. 2.51

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 <sup>st</sup> March |            |
|--------|---|--|--|------------|
|        |   |  | 2019   | 2018       |
| 1.     | EPI-C&C JV                                    | C&C Construction Limited, India.<br>Engineering Projects (India) Limited, India. | 60%<br>40%   | 60%<br>40% |

### Note No. 2.52

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

**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  
Place: New Delhi  
Dated: 16th July 2019**

**For and on behalf of the Board of Directors**

**Sd/-  
(Lekh Raj)  
Director (Finance)  
DIN 07794894**

**Sd/-  
(N.K. Sharma)  
ED (Finance)**

**Sd/-  
(S.S. Rawat)  
Chairman & Managing Director  
(Additional Charge)  
DIN 07555572**

**Sd/-  
(Deepika Mehta)  
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.  | <b>Name of the subsidiary</b>  | <b>EPI Urban Infra Developers Limited</b>              |
| 2.  | The date since when subsidiary was acquired/incorporated   | 19 <sup>th</sup> May 2016                              |
| 3.  | Reporting period for the subsidiary concerned, if different from the holding company's reporting period.#                    | Same as that of holding company (1.04.2018-31.03.2019) |
| 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   | -1,65,260  |
| 12. | Provision for taxation   | -  |
| 13. | Profit after taxation  | -1,65,260  |
| 14. | Extent of shareholding (in percentage)   | 51%  |
| 15. | Proposed Dividend  | NIL  |

#### Notes:

|   |     |
|---|-----|
| Names of subsidiaries which are yet to commence operations                | Nil |
| Names of subsidiaries which have been liquidated or sold during the year. | Nil |

\* Share Capital includes Issued and Paid up capital.



## Ventures

### Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| Name of Associates or Joint Ventures  | EPI-C&C JV |
|---|------------|
| 1. Latest audited Balance Sheet Date #  | 31.03.2019 |
| 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) | -7,84,360  |
| 7. Profit or Loss for the year  |            |
| i. Considered in Consolidation  | -3,03,744  |
| ii. Not Considered in Consolidation   | -4,55,616  |

# Unaudited financial statements are considered for consolidation.

#### For and on behalf of the Board of Directors

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  
Place: New Delhi  
Dated: 16th July 2019

Sd/-  
(Lekh Raj)  
Director (Finance)  
DIN 07794894

Sd/-  
(N.K. Sharma)  
ED (Finance)

Sd/-  
(S.S. Rawat)  
Chairman & Managing Director  
(Additional Charge)  
DIN 07555572

Sd/-  
(Deepika Mehta)  
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 2019**

The preparation of financial statements of **ENGINEERING PROJECTS (INDIA) LIMITED** for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 16 July 2019.

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 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

**Sd/-  
(Prachi Pandey)  
Principal Director of Commercial Audit  
& Ex-officio Member, Audit Board-I,  
New Delhi.**

**Place: New Delhi**

**Dated: 19 September 2019**



## **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 2019**

The preparation of consolidated financial statements of **ENGINEERING PROJECTS (INDIA) LIMITED** for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 16 July 2019.

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 2019 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** for the year ended 31 March 2019, but did not conduct supplementary audit of the financial statements of its subsidiary EPI Urban Infra Developers Limited<sup>1</sup> for the year ended on that date. Further, section 139(5) and 143(6) of the Act are not applicable to EPI-C&C, an unincorporated joint venture being private entity for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

**For and behalf of the Comptroller and Auditor General of India**  
**Sd/-**

**(Prachi Pandey)**  
**Principal Director of Commercial Audit**  
**& Ex-officio Member, Audit Board-I,**  
**New Delhi.**

**Place: New Delhi**

**Dated: 19 September 2019**

<sup>1</sup> Annual Accounts of the subsidiary have not been submitted for supplementary audit.



*Leading PSU for Turnkey Project  
Execution & Infrastructure  
Development*



**इंजीनियरिंग प्रोजेक्ट्स (इंडिया) लि.**  
(भारत सरकार का उद्यम)

**ENGINEERING PROJECTS (INDIA) LTD.**  
(A GOVERNMENT OF INDIA ENTERPRISE)

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