



47th वार्षिक प्रतिवेदन 2016 - 2017 Annual Report 2016 - 2017



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.



CONTENTS

	Page No.
Reference Information	2
Board of Directors	3
Financial Status for last five years	4
Chairman's address	5
Notice	8
Director's Report & its Annexures :	15
• Management Discussion and Analysis Report	28
• Report on Corporate Governance	33
• Corporate Social Responsibility and Sustainability Report	55
• Disclosure of particulars/arrangements entered into by the company with related parties - (AOC-2)	59
• Extracts of Annual Return (MGT-9)	60
• Secretarial Audit Report	68
Auditor's Report on Standalone Financial Statements	73
Standalone Financial Statements	84
Auditor's Report on Consolidated Financial Statements	115
Consolidated Financial Statements	121
Comments of C&AG of India on Standalone Financial Statements	154
Comments of C&AG of India on Consolidated Financial Statements	155



REFERENCE INFORMATION

(As on 31st March 2017)

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,
(8th & 9th 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, 6th Floor,
Nariman Point, Mumbai- 400 021
Phone : 91-22- 22027585, 22026347
Fax : 91-22-22882177
E-mail:
wromumbai@engineeringprojects.com

Northern Regional Office-Delhi

Core-3, 2nd Floor, SCOPE Complex, 7
Lodhi Road, New Delhi – 110 003.
Phone : 91-11-24361666
Fax : 91-11-24368293
E-mail : nro@engineeringprojects.com.

Southern Regional Office-Chennai

3D, East Coast Chambers,
92, G.N chetty Road,
T. Nagar, Chennai - 600 017.
Phone : 91- 44-28156886, 28156421
Fax : 91-44-28156629
E-Mail : sro@engineeringprojects.com

North Eastern Regional Office

4th Floor, Hindustan Tower,
Block -A, Jawahar Nagar, National
Highway No.37, Beltala
Guwahati -781022 (Assam)
Phone : 0361-2133686
Fax : 0361-2223617
E-mail: neroguwahati@rediffmail.com
& neroguwahati@gmail.com

CAMP OFFICE MUSCAT

Engineer-3 Project
C/o Engineering Projects (India)
Limited-OMAN, Post Box No. 3251
Postal Code :- 112 RUWI
Sultanate of Oman
E-mail Id:
kvs.sharma@engineeringprojects.com
Phone: +9689595620

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

SAUDI ARABIA OFFICE

P.O. Box-69983
Riyadh-11557
Kingdom of Saudi Arabia (KSA)
Phone : +966-11-4884394
Fax : +966-11-4884394—Ext. 9
E-mail Id:
feroz.rehman@engineeringprojects.com

AUDITORS: Statutory Auditors

M/s. GSA & Associates
Chartered Accountants
16, DDA Flats, Ground Floor
Panchsheel, Shivalik Mor
Near Malviya Nagar, New Delhi-110017

Branch Auditors

M/s. Yoganandh & Ram
Chartered Accountants
G-1, Shree Vishnu Apartments
12, 12th Cross Street
Dhandeeswaram
Nagar Velachery
Chennai-600042 Tamil Nadu

M/s. De Chakraborty & Sen
Chartered Accountants
Bikaner Buildings,
1st Floor 8-B, Lallbazar Street
Kolkata-700001, West Bengal

M/s. ASL & CO

Chartered Accountants
302, Ecospace, Off Old, Nagardas Road
Mogra Village, Andheri (E)
Mumbai-400069

M/s. AIYAR & CO.

Chartered Accountants
607, Akash Deep
26-A, Barakhamba Road
New Delhi-110001

FOREIGN BRANCH AUDITORS

Branch Auditors Sri Lanka

M/s Jayasinghe & Co.
Chartered Accountants
94/12, Kirulapone Avenue,
Columbo - 05

Branch Auditors Oman

M/s MHMY Auditors
Chartered Accountants
P.O. Box-385, Jibroo, P.C.-114, Muscat,
Sultanate of Oman

Cost Auditor

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

Secretarial Auditor

M/s Vishal Agarwal & Associates
39/2068, Naiwala,
315, Dakha Chambers, Karol Bagh,
New Delhi-110005

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
Indusind Bank
State Bank of Hyderabad
State Bank of India
Syndicate Bank



BOARD OF DIRECTORS

(As on date of 47TH AGM)



Shri N. Sivanand
Joint Secretary, DHI & CMD (A/C)*



Shri Vinoo Gopal
Director (Projects)



Shri Lekh Raj
Director (Finance)



Shri Vishvajit Sahay
Part Time Official Director



Shri Siya Sharan
Part Time Official Director



Smt. Anita Chaudhary
Independent Director



Shri Sushant Baliga
Independent Director

* Ref Notes to Point 2(B) of Report on Corporate Governance



FINANCIAL STATUS FOR LAST FIVE YEARS

(Rs. in Lakhs)

Particulars/Years	2012-13	2013-14	2014-15	2015-16	2016-17
A. Operating Statistics					
Turnover (Operating Income)	84060.96	85516.72	103128.21	129546.44	162145.42
Other Income	4443.17	3534.00	2789.27	2772.96	3397.72
Total Income (a)	88504.13	89050.72	105917.48	132319.40	165543.14
Total Expenditure (b)	84615.02	85398.78	100991.01	127805.15	164373.57
Gross Margin (a-b)	3889.11	3651.94	4926.47	4514.25	1169.57
Interest	631.76	940.07	706.15	580.93	614.25
Depreciation	91.89	99.30	99.62	114.15	143.58
Profit Before Tax (PBT)	3165.46	2610.53	4120.70	3819.17	411.73
Income Tax	1019.58	911.09	1412.08	1364.55	142.28
Profit After Tax (PAT)	2145.87	1699.44	2708.62	2454.63	269.45
Transitional Depreciation Impact on Opening Reserves	-	-	4.37	-	-
Dividend Paid	708.45	708.45	708.45	1081.55	-
Dividend Distribution Tax Paid	120.40	120.40	144.22	220.18	-
Balance Carried Forward to Reserves & Surplus	1243.62	862.73	1851.58	1152.90	269.45
No. of Employees	435	437	436	400	372
No. of Equity Shares of Rs.10/- each	35422688	35422688	35422688	35422688	35422688
B. Financial Position					
Share Capital	3542.27	3542.27	3542.27	3542.27	3542.27
Reserve and Surplus (Free Reserves)	15374.37	16237.10	18088.67	19241.57	19511.03
CSR Reserve	76.98	7.86	-	-	-
Net Worth (Shareholders' Funds)	18916.64	19779.37	21630.94	22783.84	23053.30
Capital Employed	18916.64	19779.37	21630.94	22783.84	23053.30
C. Financial Ratios					
Turnover per Employee (Rs. In lakhs)	194.14	195.69	236.53	323.87	435.87
Gross Margin / Turnover (%)	4.63	4.27	4.78	3.48	0.72
Profit Before Tax (PBT)/ Turnover (%)	3.77	3.05	4.00	2.95	0.25
Profit Before Tax (PBT)/ Net Worth (%)	16.73	13.20	19.05	16.76	1.79
Profit After Tax (PAT)/ Net Worth (%)	11.34	8.59	12.52	10.77	1.17
Dividend paid / Profit before tax (%)	22.38	27.14	17.19	28.32	-
Dividend paid / Profit after tax (%)	33.01	41.69	26.16	44.06	-
Basic and Diluted EPS (in Rs)	6.06	4.80	7.65	6.93	0.76
NAV Per Share having Face Value of Rs.10/-	53.40	55.84	61.07	64.32	65.08



CHAIRMAN'S ADDRESS

Dear Shareholders'

It gives me immense pleasure to welcome you all to this 47th Annual General Meeting of your Company. The 47th Annual Report for the year 2016-17 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:

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). As per the Economic Survey 2016-17, the Indian economy should grow between 6.75 and 7.5 per cent in FY 2017-18. During the year 2016-17, the Government has liberalized and simplified the foreign direct investment (FDI) policy in sectors like defence, railway infrastructure, construction and pharmaceuticals, etc. Sectors like service sector, construction development, computer software & hardware and telecommunications have attracted highest FDI equity inflows. Many new initiatives such as Make-in-India, invest India, Start Up India and e-biz Mission Mode Project under the National e-Governance Plan etc. have been taken up by the Government to facilitate investment and ease of doing business in the country.

The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 percent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.

Business Opportunities:

Govt. of India is focusing on Renewal Energy, Highways, Ports and Rural infrastructure and EPI is focussing on deriving benefits from these Govt. of India initiatives for development and growth.

Marketing Initiatives:

Your Company is focusing to undertake high value projects and efforts are being made to take the opportunities arising in the fields of Smart Cities, Renewable Energy projects, Urban Infrastructure, Border Management, Road and Railway Sector projects in India as well as abroad. Your Company has entered in to strategic alliances for taking up projects on MoU/JV basis. Our focus has now to be mainly on high technology, consultancy and high value projects with higher percentage margins.

Performance Highlights:

I take pride in stating that your company has achieved a higher operational Turnover of Rs. 1621.45 crores which is 25.16% increase over previous year. The total income of the Company for the year 2016-17 is Rs.165543 Lakhs, higher than the previous year. The Company has earned a Gross Margin of



Rs. 1170 lakh against previous year Gross Margin of Rs.4514 lakh and reduction is mainly due to reassessing the cost estimates with respect to the current scenario.

During 2016-17, your Company has secured projects worth Rs.2449 crores. 'Industrial, Process Plant, Material Handling, Electrical and Border Management Projects' segment are the highest contributors (49.47%), to the total turnover of the Company followed by Housing & Building Works including Hospital Projects whose percentage share has increased to 41.81%.

The work for Construction of Two Lane Road in Chin State of Myanmar (109.20 Km.) has been awarded to EPI- C&C "JV", an unincorporated Joint Venture, by Ministry of External Affairs, Govt. of India in March 2017 and Joint Venture (Consortium) Agreement has since been entered with M/s C&C Constructions Ltd. as lead partner.

Subsidiary Company/Branch Office

During the year 2016-17, the Subsidiary Company i.e., EPI Urban Infra Developers Limited (EPIUIDL) could not start its operations and no Turnover/ margin has been reported. During the year, the Subsidiary Company incurred an expenditure for incorporation, corporate records, fee for Board meeting, Audit fees for CAG appointed Statutory Auditors etc. The Board of Subsidiary Company has approved the closure of the Company subsequent to the close of financial year.

After the close of the year, Board decided to close the Branch at Riyadh, Kingdom of Saudi Arabia as the projects are not expected to be secured in the near future and to avoid recurring administrative expenses.

Performance under MOU

The performance of the Company has been rated "Very Good" by the Department of Public Enterprises (DPE) in terms of MOU signed by the Company with the Government for the year 2015-16.

Dividend

Your Directors have proposed to declare NIL dividend for the Financial Year 2016-17 due to inadequacy of profits.

Human Resource

Company's focus is on securing projects in India as well as in foreign countries. 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. Your Company makes all necessary efforts to develop technical and managerial skills of employees by conducting several in-house and external training programs, seminars and workshops at all levels.

Corporate Governance

Your Company firmly believes that good corporate governance facilitates effective, and prudent management that can deliver the long-term success of the company. The Company has Works Manual and Audit Manual 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 standard of living of the people in and around the project site.

During the year, your company has spent an amount Rs. 16.73 lakhs towards CSR and Sustainability activities.

Acknowledgement

I, on behalf of the Board of Directors and on my own behalf, would like to record my appreciation for the sincere efforts made by employees of your Company towards achieving the targets and expect that in future they would still strive harder to take your Company to the new heights. I also acknowledge with thanks the cooperation and guidance received from Members of the Board, Ministry of Heavy Industries and Public Enterprise, other Govt. Departments, Statutory Auditors and Comptroller & Auditor General of India, and Shareholders. I also place on record my sincere thanks to our valuable Clients, Business Associates and Banks who have reposed faith in your Company.

Sd/-

(N. Sivanand)

Chairman & Managing Director (A/C)

DIN:07852689

Place: New Delhi

Date: 25th September 2017



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 47th 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, (4th Floor), 7 Lodhi Road, New Delhi – 110003 on Thursday, 28th September 2017 at 11.30 A.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 31st March 2017 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 31st March 2017 comprising Balance Sheet as at 31st March 2017, the Statement of Profit and Loss Account for the year ended 31st March 2017 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 2016-17. Board of Directors in its meeting held on 04.09.2017 had proposed NIL dividend for the Financial Year 2016-17 in view of inadequacy of profits.

Special Business

3. To ratify the remuneration of the Cost Auditor for the financial year 2017-18 as approved by the Board of Directors in its 257th meeting held on 4th September 2017 (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 2017-18 be and is hereby ratified and confirmed.”



4. To close the Subsidiary Company (EPIUIDL) of EPI as decided by the Board of Directors of EPI in its 257th meeting held on 4th September 2017 and in this regard, to consider and if thought fit, to pass the following resolution as a Special resolution:

“**RESOLVED THAT** pursuant to Article 88 of Article of Association of Subsidiary Company of EPI, approval of Shareholders be and is hereby accorded for closure of the Subsidiary Company of EPI i.e. EPI Urban Infra Developers Limited (EPIUIDL) through voluntary winding up subject to the approval by the Shareholders of EPIUIDL”.

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

(Sudha V. Varadhan)

Company Secretary

E-mail id : v.sudha@engineeringprojects.com

Date: 04th September 2017

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 29th September 2014 authorised the Board to fix the remuneration of Statutory Auditors and Branch Auditors from the financial year 2013-14 onwards in terms of provisions of Companies Act, 2013. Accordingly, Board in its 251st meeting held on 23rd December 2016 had fixed a total fees of Rs. 14.24 Lakh (towards audit of Corporate Office and branch offices) for the financial year 2016-17.

7. Pursuant to the Circular No 17/2011 dated 21st April, 2011 and Circular No 18/2011 dated 29th 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 and 4 as set out above forming part of the Notice:

Item No. 3: Ratification of remuneration of Cost Auditor

The Board, on the recommendation of the Audit Committee, had appointed M/s A. G. Agarwal & Associates as Cost Auditor to conduct audit of cost records of the Company for the financial year 2017-2018 at a remuneration amounting Rs. 59,940/- (Rupees Fifty Nine Thousand Nine Hundred Forty only) plus applicable tax, TA/DA and out of Pocket expenses to be paid as per actuals for the visits outside Delhi/NCR. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, the Resolution at Item No. 3 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members of the Company.

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

Item No. 4: To close the Subsidiary Company (EPIUIDL) of EPI

Disinvestment process through merger with similarly placed CPSE is going on. Evaluation Committee for strategic disinvestment of EPI desired for a disclosure in the EOI/PIM to the effect that the subsidiary company is non-operational and is contemplated to be closed. Therefore, Board of Directors of EPI in its meeting held on 25.07.2017 had agreed that since the subsidiary company is non-operative, it is prudent to consider closure of the Company, which requires formal approval from the Board of Subsidiary Company and accordingly allow the interim Board to meet to decide the future of the Company. Interim Board of Subsidiary Company met on 2nd August 2017 and decided to close the Company (EPIUIDL) through voluntary



winding up. Article 88 of Article of Association of EPIUIDL requires that for winding up/liquidation/dissolution of the Subsidiary Company, prior approval of EPI shall be obtained. Accordingly, the Resolution at Item No. 4 of the Notice is set out as an Special Resolution for approval by the members of the Company.

To:

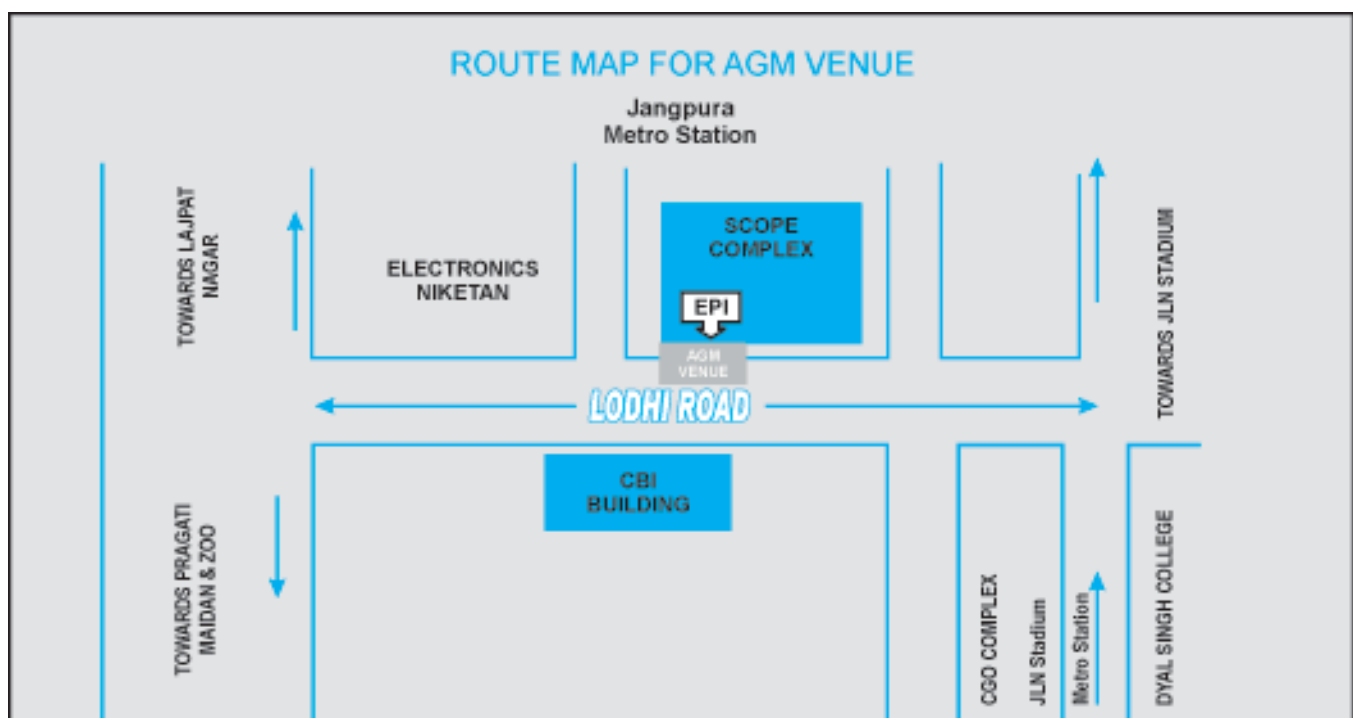
1. All Shareholders of EPI
2. M/s. G S A & Associates, Statutory Auditors,
16 DDA Flat Ground Floor
Panchsheel Shivalik Mor
Near Malviya Nagar
New Delhi- 110017
3. M/s Vishal Agarwal & Associates (Company Secretaries)
Secretarial Auditor, EPI
39/2068, Naiwala, 315, Dakha Chambers,
Karol Bagh, New Delhi-110005
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

Date: 04th September 2017

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 47th Annual General Meeting (and any other adjourned meeting thereof) of the Shareholders of EPI to be held on 28th September, 2017.

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 Ata.m. /p.m. at (place) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

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

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.

Affix Revenue
Stamp



ATTENDANCE SLIP

47th Annual General Meeting, Thursday, 28th September, 2017 at 11:30 A.M.

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 47th Annual General Meeting of the Company on Thursday, 28th September, 2017 at 11:30 A.M at Core-3, SCOPE Complex, 4th 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 47th Annual Report on the performance of the Company during the financial year 2016-17.

1. FINANCIAL HIGHLIGHTS

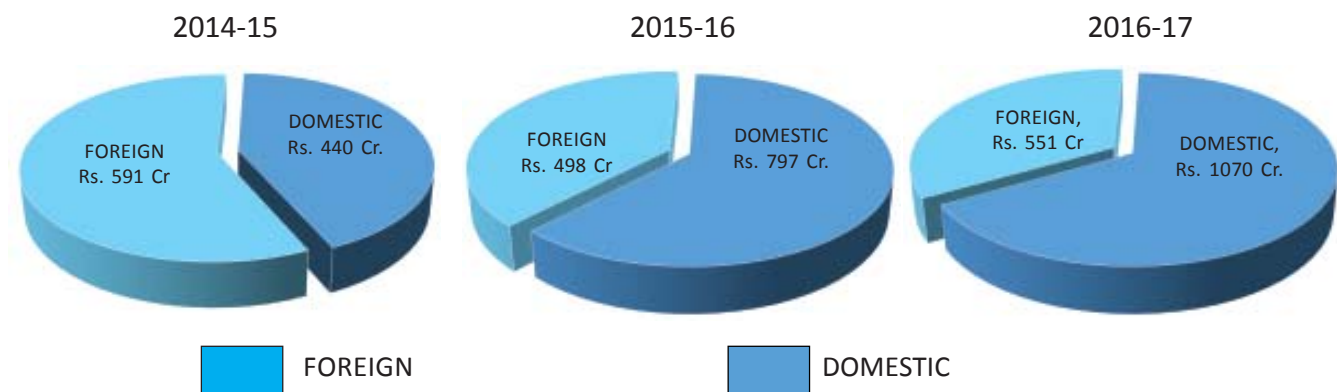
During the year 2016-17, the Company achieved an operating turnover of Rs. 1,62,145 Lakhs as against turnover of Rs. 1,29,546 Lakhs achieved during the previous year which is 25.16% increase over previous year. Profit Before Tax (PBT) earned during this period stood at Rs. 412 Lakhs in comparison to Rs. 3,819 Lakhs earned during 2015-16.

The financial highlights of your Company (standalone) during the year 2016-17 along with the corresponding previous year figures are as under-

(Rs. in Lakhs)

Sl. No.	Description	2016-17	2015-16
1.	Operating Turnover	1,62,145	1,29,546
2.	Other Income	3,398	2,773
3.	Total Income	1,65,543	1,32,319
4.	Gross Margin	1,170	4,514
5.	Interest Paid	614	581
6.	Depreciation	144	114
7.	Profit Before Tax	412	3,819
8.	Taxes	143	1,364
9.	Profit After Tax	269	2,455
10.	Net Worth	23,053	22,784

Turnover - Domestic & Foreign



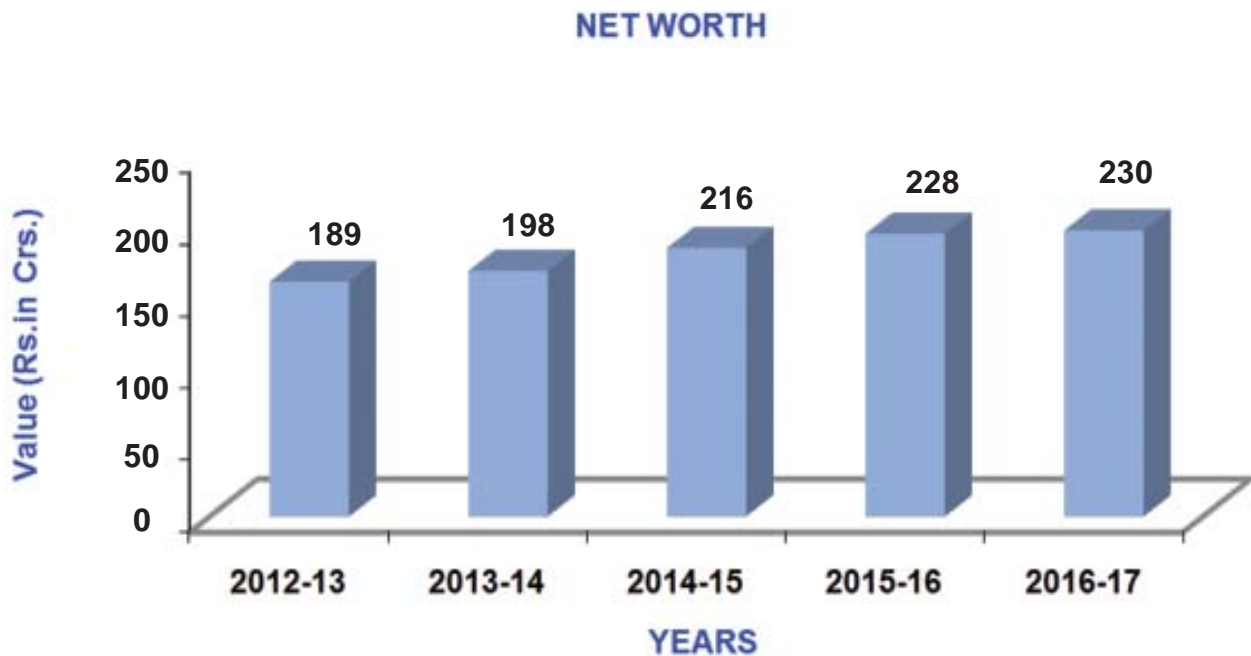


The Net Worth of the Company increased from Rs. 22,784 Lakhs to Rs. 23,053 Lakhs which is an increase of 1.18% over the previous year. The return on capital employed in 2016-17 is 4.45% as against 19.31% in 2015-16.

As per Cabinet Committee on Economic Affairs (CCEA), the process of strategic disinvestment of EPI by merging it with similarly placed CPSEs is in progress.

2. CAPITAL STRUCTURE

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



3. DIVIDEND & RESERVES

It is proposed to declare NIL dividend for the Financial Year 2016-17 due to inadequacy of profit.

Accordingly, the balance amount in the Reserves & Surplus account as on 31st March 2017 stands at Rs. 19511 Lakhs.



4. MARKETING ACHIEVEMENTS

During the financial year 2016-17, Company has secured projects worth Rs. 2449 crores. Some of the major projects secured are given below:

Sl. No.	Name & Place of the Project	Client	Value (Rs. Crores)
1.	Entry level activities for all the towns and cities along the banks of river Ganga in West Bengal under Namami Gange Programme.	NMCG (Ministry of Water Resources, River Development & Ganga Rejuvenation)	1000
2.	Construction of District Head Quarter Hospital with 100 Bedded Mother Child Hospital at Kendrapara on Turnkey Basis.	Engineer-In-Chief (Civil) Odisha, Nirman Soudha, Unit-V, Bhubaneswar.	110
3.	Construction of 100 Bedded ESIC Hospital at Bhilai, Chhattisgarh.	Employees' State Insurance Corporation, New Delhi.	95
4.	Planning, Designing, Supervision and Construction of buildings and development works at IIIT, Ongole, RGUKT, Prakasam District, Andhra Pradesh.	Rajiv Gandhi University of Knowledge Technologies (RGUKT) Ongole, Andhra Pradesh	80
5.	Construction of 100 Bedded Hospital at Beltola, Assam.	Employees' State Insurance Corporation, New Delhi.	71
6.	Construction Work of ST Hostel under Anwesha Scheme at 7 locations in four district of Odisha and Construction of 02 Nos. of Urban Hostel Complex (01 No. Girls + 01 No. Boys) at Berhampur District Ganjam, Odisha.	SC & ST Development Department, Odisha, Bhubaneswar.	62
7.	Construction of Kalinga Model Residential Schools in various district of Odisha	ST & SC Development Department, Odisha	60

Major Projects under implementation in India & abroad.

- i) Engineer-3 Project (Phase – II), Oman at value of USD 470 Million.
- ii) Project Management Consultancy for Development of Campus of Central University of Jammu, Jammu at a value of Rs. 1187.91 crores.
- iii) 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. 550.82 crores.
- iv) Augmentation of Fuel & Flux crushing facilities (Pkg. no. 064) of Bhilai Steel Plant, Bhilai at a value of Rs. 287.81 crores.
- v) 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. 255.80 crores.



- vi) 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. 460.00 crores.
- vii) Construction of Medical College Campus for 100 MBBS Admission Annually and Upgradation of the Govt. District Hospital, Barmer at a value of Rs. 139.00 crores.
- viii) Construction of entire campus of National Institute of Pharmaceutical Education & Research (NIPER) at Guwahati at a value of Rs. 161.69 crores.
- ix) Design, Construction, Supply, Installation and Commissioning of 5.00 LLPD Dairy Plant and 30 MTPD Powder Plant at Dehri-on-Sone, Bihar at a value of Rs. 113.48 crores.
- x) Construction of Intake Well, Water Treatment Plant, Distribution Pipe Lines, Overhead Tank & providing Household connections at Singrauli, MP at a value of Rs. 101.84 crores.
- xi) Construction of District Head Quarters Hospital with 100 bedded Mother Child Hospital at Kendrapara at a value of Rs. 110.16 crores.
- xii) Construction of Border Road / Fence along Indo- Bangladesh Border, Mizoram at a value of Rs. 259.06 crores.
- xiii) Construction of Flood Lighting along Indo-Bangladesh Border in the state of Mizoram at a value of Rs. 181.16 crores.
- xiv) Construction of Border out Posts for Border Security Force along the Indo-Bangladesh Border in Mizoram & Tripura at a value of Rs. 356.76 crores.
- xv) Project Management & Execution Consultant for setting up of Medical College and Hospital in Sundergarh District, Odisha at a value of Rs. 417.77 crores.
- xvi) Construction of Township at Khilpara, Tripura for 2x363.3 MW Gas based Combined Cycle Power Plant of OTC at Palatana, Udaipur, Tripura a value of Rs. 106.00 crores.

Projects Completed in India

The Company has completed following major projects during the year :

- Construction of Mini Secretariat at Silliguri for Government of West Bengal.
- Design, Construction, Supply, Installation and Commissioning of 20000 LPD. Ice- Cream Plant at Patna.
- Construction of College of Agriculture at Iroisemba, Imphal, Manipur.
- Construction of Central Agricultural University Headquarters at Imphal, Manipur.
- Construction of QG / Kote / Armoury including Infrastructural Development Works for Assam Rifles Battalion at Serchip & Lunglei, Mizoram.
- Face Lifting and Renovation of the institute Building at Existing Campus of NIT, Raipur, Chhattisgarh.
- Construction of Lecture Hall Building at NID, Ahmedabad Campus.
- Planning, Designing and Construction Supervision of Vikrama Simhapuri University (VSU) Campus at Nellore, Andhra Pradesh.
- Project Monitoring and Construction Supervision for Feroz Gandhi Unchahar Thermal Power Project Stage - IV, (1 x 500mw), at Unchahar, Rae Bareli District, UP.



5. ORDER BOOK POSITION

At the end of financial year 2016-17, the Company is having work in hand of Rs. 9263 Crores including work valuing Rs. 945 Crores which are held up due to non-availability of funds, work fronts etc. on part of client.

6. PERFORMANCE RATING UNDER MOU

The performance of the Company has been rated “**Very Good**” by the Department of Public Enterprise (DPE) in terms of MoU signed by the Company with the Government for the year 2015-16.

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 reaffirmed the long term rating for Line of Credit at “ICRA AA-”. 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

With the objective that all function/s of the organization should be carried out with complete transparency, accountability & integrity, Vigilance division took a number of initiatives such as Comprehensive end to end E-procurement (E-Tendering) has been made mandatory in the company, value of projects in the purview of “Integrity Pact” has been reduced from Rs. 50 Crores or more to Rs. 10 Crores or more for “Works” and for Supply items Integrity Pact has been introduced and mandatory for Rs. 5 Crores or more, now almost more than 90% of the activities of the company are covered by Integrity Pact. Further, limit for Press Advertisement for Notice Inviting Tenders has also been reduced from Rs. 5 Crores to Rs. 2 Crores. Police verification has been made mandatory for all new recruitments. Due to periodic inspections of various projects by Vigilance Division, corrective actions are being carried out by the Management. This division investigated a number of allegations/complaints received by it through various sources and recommended action wherever found necessary.



Company observed “Vigilance Awareness Week - 2016” in its Corporate/Regional & Site offices as per the directions of CVC. On this occasion, the programmes such as an essay competition on “Public Participation in Promoting Integrity and Eradicating Corruption, a poster competition on “Role of Citizens in Exposing Corruption, a slogan competition on “Anti-Corruption, a lecture on “Anti-Corruption” by our Independent Director Smt. Anita Chaudhary (Retd. IAS) were organized for employees.

Besides these, to promote public awareness & participation in eradication of corruption, EPI displayed banners at petrol pumps, schools & other public places.

10. HUMAN RESOURCE

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

As on 31st March, 2017, Company had a strong force of 372 employees, which included 40 women employees and 316 employees who are technically and professionally qualified.

11. SC/ST PERSONNEL

The number of SC/ST employees on the rolls of the Company as on 31st March 2017 was 75 (including 3 women employees) which constituted 20.16% of the total strength.

12. PHYSICALLY CHALLENGED PERSON

The number of physically challenged persons as on 31st March 2017 was 4 which constituted 1.07 % of the total strength.

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

13. PROPAGATION OF RAJBHASHA/HINDI

Continuous efforts were made for propagation and effective implementation of Rajbhasha in the company. “Hindi Shikshan Yojna” has been implemented under which special classes are conducted for officers/employees. Quarterly Progress Reports on Hindi implementation is submitted online to Rajbhasha Vibagh, Ministry of Home Affairs and the company’s website is ready for bilingual format. 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 and two of our employees have won puraskars in the competitions organized by NARAKAS in 2016. Official Language Department, Govt. of India as well as Administrative Ministry have given special appreciation for the efforts made by the company for implementation of Rajbhasha.



“Hindi Divas” / “Hindi Pakhwada Samaroh” is organised in the month of 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. In order to encourage the employees participation in various competitions organized for propagation of Hindi, Smriti Puraskaar Yojana in the name of “Swargiye Shankar Dayal Singh Shield” has been introduced and to generate interest among the employees for their contribution towards official correspondence in Hindi Language, a Cash Reward Scheme is well in place. Hindi Workshops (‘Karyashalas’) are conducted on quarterly basis to generate awareness among the employees regarding importance of Rajbhasha.

A quarterly Hindi magazine named ‘EPI Samachar’ is published in Hindi language regularly for internal and external circulation and article/Essays in Hindi are sent to other PSUs also on regular basis.

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

The Company has constituted a Committee for redressal of Sexual harassment complaints (made by the victim) at workplace and for ensuring time bound treatment of such complaints. In the year 2016-17, one complaint was received by the Committee for redressal and after going through the facts, the case was disposed off within time.

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. 75,000-90,000 (IDA), Directors are appointed in the revised schedule “B” scale of pay of Rs. 65,000-75,000/- 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

Keeping in view the Government Directives, Company achieved economy in administrative expenditure in EPI during the year 2016-17.



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 2016-17

Name of Director	Designation	Period
Shri Vishvajit Sahay Joint Secretary, DHI	Part-time (Official) Director	03.11.2016 till date
Shri S. Sakthimani Director (Finance), CCI	Additional charge of Director (Finance) *	29.03.2017-13.04.2017

* Prior to appointment of Shri S. Sakthimani, the Additional Charge of Director (Finance) was held by Shri Vinoo Gopal, Director (Projects) during 1.12.2015 to 31.5.2016 and by Shri S P S Bakshi, CMD EPI from 21.10.2016 to 20.3.2017.

Directors/Key Managerial Personnel (KMP) ceased/resigned during the year 2016-17

Name of Director	Designation	Period
Shri R.K. Singh	Part-time (Official) Director	30.11.2012-04.10.2016
Dr. K.S.Rao	Independent Director	04.02.2014-03.02.2017

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

19. DIRECTOR'S RESPONSIBILITY STATEMENT

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

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended on 31st March, 2017 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) 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 Smt. 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.

21. NO. OF MEETINGS

During the year, 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 has been incorporated on 19th May 2016 as “EPI Urban Infra Developers Limited” (EPIUIDL) (CIN: U45309DL2016GOI299995) 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.

During the year 2016-17, the Subsidiary Company could not start its operations and no Turnover/ margin has been reported. During the year, the Subsidiary Company incurred an expenditure of Rs. 1.2 Lakhs (excluding for incorporation) for corporate records, fee for Board meeting, Audit fees for CAG appointed Statutory Auditors etc. The Board of Subsidiary Company has approved the closure of the Company subsequent to the close of financial year.

Associates:

The work for Construction of Two Lane Road in Chin State of Myanmar (109.20 Km.) was awarded to EPI-C&C “JV”, an unincorporated Joint Venture, by Ministry of External Affairs, Govt. of India in March 2017 and Joint Venture (Consortium) Agreement has since been entered with M/s C&C Constructions Ltd. as lead partner.

23. CONSOLIDATED FINANCIAL STATEMENTS

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

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures in AOC-1 as required under section 129(3) of the Companies Act, 2013 read with rules made thereunder is attached with 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 2016-17 are as under-

S.No	Name of the Firm	Region
1.	M/s. G S A & Associates, New Delhi	Statutory Auditors
Branch Auditors :		
1.	M/s. Aiyar & Co, New Delhi	Northern Region Branch Auditors
2.	M/s. De Chakraborty & Sen, Kolkata	Eastern Region Branch Auditors
3.	M/s. A S L & Co, Mumbai	Western Region Branch Auditors
4.	M/s. Yoganandh & Ram, Chennai	Southern Region Branch Auditors
5.	M/s MHMY Auditors, Oman	Oman Branch Auditors
6.	M/s Jayasinghe & Co., Sri Lanka	Sri Lanka Branch Auditors

b) Secretarial Auditor

The Company has appointed M/s. Vishal Agarwal & Associates as Secretarial Auditor for the Year 2016-17 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

The Company has appointed M/s. A.G. Agarwal & Associates as Cost Auditor for the financial year 2016-17 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 2016-17 and reply to comments on accounts, if any, is annexed to this report.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report for the year 2016-17 and reply to comments, if any, is annexed to this report.



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

During the year 2016-17, 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 –

Energy efficiency is “using less energy to provide the same service” and Energy conservation is reducing or going without a service to save energy. Though company’s activities do not involve direct use of energy in manufacturing processes, the need to conserve energy in all forms is accorded due importance.

Installation and Commissioning of Solar Power Plant has been done. 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 such as using CFL/T5/LED fixtures in various projects/offices, use of star rated appliance like air Conditioner, geyser in Projects/ Offices, replacing inefficient/higher capacity equipments with efficient/low capacity equipments, improving output rates of equipments to reduce power consumption, use of Renewable energy such as Solar/wind Energy in its projects at Bihar Police Academy project & Border Outpost projects.

27.02 Technology Absorption

a) Research and Development

Research and Development is core part of modern business world and is one of the means by which business can experience future growth by developing new products or processes to improve and expand their operations.

Considering company’s nature of job, there is limited scope for Research & Deveopment activities as we execute jobs based on client requirements. However, we actively provide state of art technology like pre-cast/pre-fabricated structure techineques for faster, durable and cost effective construction.

b) Technology Absorption

Specific project-based collaborations are also arranged to meet the needs of modern industrial projects. The Company is making continuous efforts to constantly upgrade technology and Construction techniques and to look in to the aspects of appropriate designing and value engineering. The company reviews the design and drawings for various projects and provides engineering solution, including standardization of design data to



help in marketing efforts and conceptualization of new projects with technical back up in alignment design, geo-technical analysis, etc.

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 project monitoring using cloud based monitoring system.

The implementation of ERP – SAP for the modules HR & Payroll, Financial Management and Document Management have 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 2016-17, the Company earned a foreign exchange of Rs. 55,254 Lakhs against Rs. 49,929 Lakhs in the Financial year 2015-16. The expenditure incurred in Foreign Exchange is Rs. 53,078 Lakhs in 2016-17 against Rs. 43,728 Lakhs in 2015-16.

28. QUALITY, HEALTH AND SAFETY MANAGEMENT

Engineering Projects (India) Ltd. is one of the first few Indian contracting companies which have been certified to ISO 9001:2008 and ISO 14001:2004 + AC:2009, which is going to be upgraded soon to 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.

Company has been certified for Occupational Health & Safety Assessment Series (OHSAS) 18001:2007 i.e. Occupational Health & Safety Management System (OHSMS) in respect of 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 05th June 2015.

30. CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY

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

31. INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal controls over financial reporting for ensuring orderly and efficient conduct of its business, including adherence to the company's policies, safeguarding



of its assets, prevention of frauds, accuracy of 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

The company has not taken 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 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 note 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

Extracts of Annual Return are annexed at **Annexure E** to this report.

37. ACKNOWLEDGEMENT

Your Directors express their sincere thanks for all the help, guidance and support extended by Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry and other Ministries and Organizations of the Government of India and State Governments. Your Directors are also grateful 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 wish 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/-
(N.Sivanand)
Chairman-cum-Managing Director (A/C)
DIN: 07852689

Place: New Delhi

Dated: 04th September 2017



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

Indian economy is a mixed economy, where there is a coexistence of both the public sector and the private sector. In India, only those industries were reserved for the public sector which were essential for speedy development of the economy and where private sector were reluctant to invest either due to low rate of return or heavy risk involved in it. In India, the area of activities of the public sector were very much restricted to a limited range like power, irrigation, roads, railways, port, communications etc. The World Bank has stated that private investments in India is expected to grow by 8.8 per cent in FY 2018-19 to overtake private consumption growth of 7.4 per cent, and thereby drive the growth in India's gross domestic product (GDP) in FY 2018-19.

According to Department of Industrial Policy and Promotion (DIPP), the total FDI investments India received during 2016-17 rose 8 per cent year-on-year to US\$ 60.08 billion, indicating that government's effort to improve ease of doing business and relaxation in FDI norms is yielding results.

Indian impact investments may grow 25 per cent annually to US\$ 40 billion from US\$ 4 billion by 2025, as per advisor for South Asia of Global Impact Investing Network's (GIIN's). Recent significant FDI announcements shall boost investments from some other Countries in India's Real Estate/Infrastructure/Health and education sector, setting up of cash-and-carry stores, food processing unit and a bottling plants, business centers etc. by global retail giants.

Government Initiatives

The Union Cabinet has approved raising of bonds worth Rs. 2,360 crore by the Indian Renewable Energy Development Agency (IREDA), which will be used in various renewable energy projects in FY 2017-18. The Government of India is likely to allow 100 per cent foreign direct investment (FDI) in cash and ATM management companies, since they are not required to comply with the Private Securities Agencies Regulations Act (PSARA).

The National Highways Authority of India (NHAI) plans to offer a risk cover to foreign investors. The Department of Industrial Policy and Promotion (DIPP) has allowed 100 per cent foreign direct investment (FDI) in asset reconstruction companies (ARC) under automatic route, which will help to tackle the issue of declining asset quality of banks.

'Digital India' project of Hon'ble Prime Minister of India aims to transform the country into a knowledge economy aiming to ensure easy access to technology infrastructure and government services to citizens. Some of the IT related initiatives are: Digital Life Certificates, Digital Boost to MGNREGA, Twitter Samvad, Madad (Help), SMS-Based Cyclone Warning System, Online Facility for Firms to File Single Return, Online facility to Issue PAN Card in 48 hours, e Money, PRAGATI.



Govt. of India has also launched various schemes for handicaps, women empowerment/Mahila shakti kendra, Health, Biotechnology development, small scale industries, shipping industry, Tourism & hospitality industry, Automotive Industry, waste management, Infrastructure development works, Development of SEZ Make in India, Skill India, Digital India, Industrial Corridors and Smart Cities, Airports& air strips, Affordable housing, Development of renewable energy, Rural development, Infrastructure etc.

SWOT Analysis

Strengths & Weakness

The company can offer wide range of services in almost all areas of Engineering & Construction and has Pan-India presence. The company has Proven Competency in Civil Engineering /Project Management and has capability for taking up multi-disciplinary Projects in India & abroad. Further, company is capable of taking up defence projects specially international border fencing projects equipped with latest modern electronic techniques.

However, company is operating in highly competitive market and face stiff competition in domestic market from other PSUs and private companies

Opportunities & Threats

Opportunities in Smart City Projects, Swatch Bharat Mission, Solar Energy, Steel & Power plant projects, multidisciplinary projects across all infrastructure sub-sectors, eased FDI norms for the infrastructure & other sectors. Technological tie ups with Indian & overseas companies for securing mega projects. Further, newer means of project financing and execution on SPV/Joint venture/Consortium or BOT/BOLT/BOOT basis. Enhancing business prospects of the company keeping in view the vision of Hon'ble Prime Minister of India for emphasis on MAKE IN INDIA initiative.

However, the prospects may be affected due to security concerns, disturbances on national/international borders, natural calamities such as earth quake and floods preventing construction boom coupled with infrastructure market crowded with multiple players with deeper pockets and prolonged delay in land acquisition and environmental clearances.

SEGMENT WISE AND PRODUCT WISE PERFORMANCE

Industrial, Process Plant, Material Handling, Electrical and Border Management Projects segment remained the highest contributor with 49.47% share to the turnover of the Company, followed by Housing & Building works including Hospital Projects segment which percentage share has increased from 35.67% in the year 2015-16 to 41.81% in the year 2016-17. There is also marginal increase in the percentage share of Dams & irrigation Projects segment and Water Supply & Environmental Schemes Segment compared to last year.



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

(Rs. in Crores)

Sl.No	Segments of Projects	2014-15		2015-16		2016-17	
		Turnover	%	Turnover	%	Turnover	%
1	Housing & Building Works including Hospital Projects	343.12	33.27	462.13	35.67	678.00	41.81
2	Dams & Irrigation Projects	5.42	0.53	0.46	0.04	49.19	3.03
3	Industrial, Process Plant, Material Handling, Electrical and Border Management Projects	581.42	56.38	741.01	57.20	802.21	49.47
4	Water Supply & Environmental Schemes	44.70	4.33	37.70	2.91	68.60	4.23
5	Transportation Structures	13.16	1.28	11.58	0.89	18.75	1.16
6	Other Projects	43.46	4.21	42.58	3.29	4.70	0.30
	Total	1031.28	100.00	1295.46	100.00	1621.45	100.00

OUTLOOK

Govt. of India is focusing on Renewal Energy, Highways, Ports and Rural infrastructure. EPL is concentrating in line with Govt. of India.

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 2016-17, the Company achieved operating turnover of Rs. 1,62,145 Lakhs as against the previous year turnover of Rs. 1,29,546 Lakhs and earned Profit Before Tax (PBT) of Rs. 412 Lakhs as against previous year's PBT of Rs. 3,819 Lakhs. The Gross Margin of the year was Rs. 1,170 Lakhs as compared to Rs. 4,514 Lakhs in the previous year.

The net worth of the Company has increased by Rs. 269 Lakhs from Rs. 22,784 Lakhs in the year 2015-16 to Rs. 23,053 Lakhs in the year 2016-17.

It is proposed to declare NIL dividend for the Financial Year 2016-17 due to inadequacy of profit.



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 2016-17, 11 employees were recruited who are professionally and technically qualified.

Also the Company makes all necessary efforts to develop technical and managerial skills of employees by conducting several in-house and external training programs, seminars and workshops at all levels.

In the financial year 2016-17, 100 mandays of In-house Training were conducted and 96 Mandays of external Training 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 14001:2004 + AC:2009, covering Environmental Management Systems (EMS).

Extensive environment friendly and energy saving measures like compulsory use of flyash bricks and Portland pozzolana cement, tree plantation, wheel washing facility, water harvesting, renewable energy like solar and wind energy, light sensor, dimmable light etc. are being used by the Company. 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. The Company also follows various environmental measures such as control of noise, control of leakage of Oil, control of wastage of water, control of smoking etc. and plants trees. Environmental friendly equipments such as solar lights are also being installed at Corporate Office/ various project sites.

b) Technological Conservation

EPI is intending to use new methods for technology conservation in the newly awarded "Namami Gange project" like sewage treatment with zero discharge including online treatment with recycling, eco sanitization for Desalination, Effective Microorganism technology (Bacterial Process) for reducing environmental pollution. Further, EPI uses excavated material for construction of roads/ fence foundation etc. during project execution resulting in saving of construction cost.



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 31.03.2017, one position of Independent Director was lying vacant. The additional charge of the position of Chairman-Cum-Managing Director was held by Director (Projects) and additional charge of position of Director (Finance) was held by Director (Finance), CCI. 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 as on the date of this report are given below:

Name of Directors	Category	Board Meeting Attended	Attendance at the last AGM	No. of Directorships Other Public Companies (excluding EPI)	Tenure
(a) Chairman & Managing Director (Additional Charge)					
Shri N.Sivanand, Joint Secretary, DHI DIN: 07852689	Chairman & Managing Director-(Additional charge)	NA	NA	TMTP*	w.e.f. 15.06.2017
(b) Whole Time/Functional Directors					
Shri SPS Bakshi DIN: 02548430	Chairman-cum- Managing Director	5/6	No	EPIUIDL*	w.e.f 05.02.2009 (refer note 6 below)



Shri Vinoo Gopal DIN: 05173442	Director (Projects)	5/6	yes	EPIUIDL*	w.e.f. 02.01.2012
Shri S. Sakthimani Director (Finance), CCI DIN: 07482308	Director (Finance)- Additional charge	NA	NA	CCI*	w.e.f. 29.03.2017 Till 13.04.2017
Shri Lekh Raj DIN: 07794894 [#]	Director (Finance)	NA	NA	Nil	w.e.f. 13.04.2017
(b) Govt. Nominees/Part-Time Official Directors					
Shri R.K. Singh Joint Secretary, Ministry of Heavy Industries & Public Enterprises DIN: 06459343	Director	3/4	Yes	4 (TWOCL, BHEL, HPCL)*	w.e.f. 30.11.2012 Till 04.10.2016
Shri Vishvajit Sahay, Joint Secretary, Ministry of Heavy Industries & Public Enterprises DIN: 06840620	Director	2/2	NA	4 (H.M.T.L, HMTLMTL, HECL, H.M.T.(I) L)*	w.e.f. 03.11.2016
Shri Siya Sharan Chief Controller of Accounts (CCA), Ministry of Heavy Industries & Public Enterprises DIN: 07401363	Director	5/6	yes	1 (HECL, HMTMTL)*	w.e.f. 11.01.2016
(c) Independent Director/Part Time (Non-Official) Director					
Dr. K.S.Rao Professor, Department of Commerce and Management Studies, Andhra University, Visakhapatnam DIN: 03383447	Director	5/5	Yes	Nil	w.e.f. 04.02.2014 Till 03.02.2017
Shri Sushant Baliga Faculty of Mgt. Sciences, University of Delhi DIN: 06462815	Director	5/6	Yes	EPIUIDL*	w.e.f. 18.11.2015



Smt. Anita Chaudhary IAS, Retired Secretary of Department of Land Resources, Govt. of India DIN: 07328842	Director	6/6	Yes	1 (NPCIL)*	w.e.f. 01.12.2015
---	----------	-----	-----	---------------	----------------------

***Abbreviations used:** TMTP- Tumakuru Machine Tool Park, EPIUIDL-EPI Urban Infra Developers Limited, CCI- Cement Corporation of India Limited; TWOCL- Tide Water Oil Co. India Ltd.; BHEL-Bharat Heavy Electricals Ltd.; HPCL- Hindustan Paper Corporation Limited, HMTMTL- HMT Machine Tools Ltd.; HECL- Heavy Engineering Corporation Ltd.; HMT(I)L-HMT (International) Limited, NPCIL: Nuclear Power Corporation of India Ltd. # DIN allotted on 15.04.2017

Notes:

Following changes took place in the Directorship during the year 2016-17, and thereafter till the date of this report:

1. Shri R.K.Singh relinquished from the Directorship of EPI w.e.f. 04.10.2016 (AN) consequent upon relinquishing the charge of the post of Joint Secretary, DHI on his transfer to UIDAI, Ministry of Electronics and Information Technology.
2. Shri Vishvajit Sahay has been appointed as a Part Time Non-Official Director on the Board of EPI with immediate effect until further orders vide DHI Order No. 16(7)/2015-TSW dated 03.11.2016.
3. Additional charge of the post of Director (Finance), EPI was given to Shri S P S Bakshi, CMD, EPI (u/s w.e.f. 20.03.2017) in addition to his own duties till the appointment of a regular incumbent to the post vide order no 16(14)/2013-TSW dated 21.10.2016.
4. Dr. K.S. Rao was again re-appointed as Part-time Non-official Director vide Order No. 16(27)/2008-TSW dated 31.01.2014 for a period of 03 Years from the date of assumption of charge i.e. 4.02.2014 or until further orders, whichever is earlier. On the completion of his tenure (2nd term), Dr. K.S. Rao relinquished from the directorship of EPI on 03.02.2017.
5. Tenure of Shri Vinoo Gopal, Director(Projects), EPI has been extended w.e.f. 03.01.2017 and until 30.06.2018, i.e. the date of his superannuation, or until further orders, whichever is earlier vide order no. 16/4/2016-TSW dated 6th February 2017.
6. Shri SPS Bakshi vide DHI order dated 24.03.2017 has been placed under suspension from 20.03.2017 until further orders as per Rule 29.2 Conduct Discipline and Appeals Rules, 1999 of EPIL which got further extended by DHI for a further period of 3 months w.e.f. 18.06.2017.
7. Shri Vinoo Gopal, Director (Projects), EPI, vide Order No. 16(5)/2017 dated 24.03.2017, was entrusted the additional charge of the post of Chairman & Managing Director for a period of three (3) months with immediate effect or until further orders whichever event takes place at the earliest.



8. Shri S. Sakthimani, Director (Finance), CCI, vide order no 16(6)/2015-TSW dated 29.03.2017, was entrusted the additional charge of Director (Finance), EPI for a period of three(3) months with immediate effect or till appointment of a regular incumbent to the post of or until further orders, whichever is the earliest.
9. CBI has registered a case and filed FIR against some employees of EPI for alleged illegal gratification for award of a tender and these employees are under suspension. EPI is not named as party in the FIR.

After the Closure of the financial year 2016-17, following changes took place:

10. Vide order no. 16(6)/2015-TSW dated 13.04.2017, Shri Lekh Raj, has been appointed as Director (Finance), EPI for a period of five years from the date of assumption of charge of the post or till the date of his superannuation or until further orders, whichever is the earliest. He assumed charge on 13.04.2017 and was allotted DIN by MCA on 15.04.2017.
11. Shri N.Sivanand, Joint Secretary, DHI, vide order no. 12-16/1/2017-TSW dated 15.06.2017 and 19.06.2017 has been entrusted the additional charge of the post of Chairman & Managing Director for a period of three months with immediate effect or until further orders whichever event takes place at the earliest.

(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 2016-17, 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.	29.04.2016	7	7
2.	28.07.2016	7	5
3.	05.09.2016	7	7
4.	30.09.2016	7	6
5.	23.12.2016	7	5
6.	17.03.2017	6	6



(E) Meeting of Independent Directors

During the financial year 2016-17, Company's Independent Directors met on 27th March 2017 at Goa (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, presently on the Board including those who joined the Board 2016-17:

I) Shri N. Sivanand, Joint Secretary, DHI & Additional charge of Chairman & Managing Director

Shri N. Sivanand has been entrusted additional charge of the post of CMD, Engineering Projects India Ltd. w.e.f. 15th June, 2017. Shri N. Sivanand is an officer belonging to 1985 batch of Indian Ordnance Factories Service (IOFS), and serving presently as Joint Secretary, in the Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises. He is an alumnus of Jawaharlal Nehru Technological University, Hyderabad. He has more than 30 years of experience in the Govt. of India. He is an officer with Mechanical Engineering background and worked in Ordnance Factories, associated with the production of armoured vehicles and ammunition. He has experience in various related fields viz, production, provisioning, quality etc. at different levels.

Shri SPS Bakshi, CMD, EPI is under suspension w.e.f. 20.03.2017.

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 30 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., 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) **Shri Vinoo Gopal, Director (Projects)**

Shri Vinoo Gopal joined EPI as Director (Projects) on 02.01.2012. He is a Civil Engineer having rich and varied experience spanning over 35 years in Cost Estimation, Tendering, Business Development, Contract Management, Planning & Project Execution in the field of Railways, Highways, Bridges and Buildings. Shri Vinoo Gopal has handled Multi-disciplinary Projects both in India and abroad including projects on Public Private Partnership basis. Before joining EPI, Shri Vinoo Gopal has worked with Ircon International Limited and Uttar Pradesh Rajkiya Nirman Nigam.

IV) **Shri Vishvajit Sahay, Govt. Nominee Director**

Shri Vishvajit Sahay has been appointed as Part-time official Director of EPI as nominee of Govt. of India with effect from 03.11.2016. Shri Vishvajit Sahay is an officer belonging to the 1990 batch of Indian Defence Accounts Service (IDAS) and serving presently as Joint Secretary in the Department of Heavy Industry (DHI), Ministry of Heavy Industries & Public Enterprises. He is an alumnus of the prestigious St. Stephens College, Delhi. He has 25 years of diverse experience in the Government of India ranging from Security Sector to Entertainment Sector to Industrial Development. As Joint Secretary in DHI, he handles the Heavy Engineering and Machine Tools Sector, apart from being on the Board of Directors of several CPSE's under DHI. He had held additional charge of the post of Chairman and Managing Director, Heavy Engineering Corporation Limited, Ranchi, a critical player in the Capital Goods Sector and also held additional charge of the post of Chief Executive Officer in the National Automotive Testing and R&D Infrastructure Project (NATRiP) a project, which when fully implemented will provide a major fillip to the Auto Sector. He has Steered the drafting, stakeholder consultation, approval and promulgation of the first ever National Policy for the Capital Goods Sector under the "Make in India" programme of the Government. He had earlier served in the Acquisition Wing, Ministry of Defence at a senior level and handled the procurement process for modernization of the weapons and equipment of the Indian Army. He was the Nodal Officer from the Indian side for financial management of the Foreign Military Sales(FMS) Programme of the US Government with the Government of India. He also served in the Ministry of Information & Broadcasting dealing with the film industry and various film export and marketing initiatives. He has an experience of negotiations on Government to Government basis on film co-production agreements with countries such as Italy, Britain, China and Canada. He has also handled sensitive issues such as certification of films for public exhibitions, exhibition of films in film festivals and through the broadcast media. He has been a part of Inter-Government negotiations on matters pertaining to the Audio Visual Sector in General Agreement in Trade in Services (GATS).

V) **Shri Siya Sharan, Govt. Nominee Director**

Shri Siya Sharan has been appointed as Part-time official Director of EPI as nominee of Govt. of India with effect from 11.1.2016 (Pursuant to DHI order dated 17.12.2015 and approval of DIN by MCA). Shri Siya Sharan is an ICAS Officer of 1993 batch. He is M.A. in Sociology from Jawahar Lal Nehru University and qualified Jr. Research Fellowship of UGC in Sociology. He has a rich and



varied experience in the field of Finance, Budget & Accounts, Payments, and Treasury Functions in various Ministries including Ministry of Steel & Mines, Ministry of Agriculture, CBDDT, & CBEC. He also had teaching experience as Associate Professor & Chief Administrative Officer at National Institute of Financial Management. Presently, he is in the Board of Directors in HEC and EPI and also posted as Chief Controller of Accounts, Ministry of Industry, looking after the Budget & Accounts, Payment and Treasury functions of DIPP, DHI, DPE and MSME. He handled Integrated Finance functions of PIB in Ministry of I&B as Integrated Financial Adviser. He has undergone training programme at Duke University, IIM Lucknow, IIM Bangalore, NIFM and ICISA.

VI) 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 Science, University of Delhi (2006). He holds 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 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 to the tune of Rs 1000 Cr. per annum. 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.; The World Bank etc. and has held the position of Independent Director on the Board of Bridge and Roof (India) Ltd. He is also a Life Member of the Indian Roads Congress and the Indian Council of Arbitration.

VII) Smt. Anita Chaudhary, Independent Director

Smt. Anita Chaudhary, IAS ('76 Hy), retired as Secretary to Government of India, Department of Land Resources. She is a Post graduate in English Literature, from Fergusson College, Pune and a Masters in Soc. Sc. from University of Birmingham, UK. Presently she is doing her P.hD from IGNOU, on RTI and PDS. 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 carrier 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. Presently she is member of the Task Force for signing MOUs with CPSUs.

(G) Appointment of Directors

Since the appointment of all Directors (including part-time directors, Independent directors and women directors) are done by the Government, it has not been possible to have an item in the notice of AGM for appointment of directors as per section 152 of the Companies Act 2013, which require determining not less than 2/3rd of the total number of directors as persons whose period of office is liable to determination by retirement of directors by rotation, at a General Meeting.

As per section 149 of the Companies Act 2013, the provisions of sub-section (6) and (7) of section 152 in respect of retirement of directors by rotation shall not be applicable to appointment of independent directors.

Further, part-time official directors are appointed by Government and hold office by virtue of their office in administrative ministry and independent directors are appointed for a fixed tenure, due to which there is no scope for actually retiring any director by rotation every year and hence, it is not possible to give effect to section 152 of the Companies Act, 2013 during the year 2016-17. MCA vide notification dated 13th June 2017 has exempted Government Companies from Section 152(6) & (7) of the Companies Act, 2013

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. | Smt. Anita Chaudhary, Independent Director | - | Member |
| 3. | Shri Siya Sharan, Part time Official Director | - | Member |

Shri Lekh Raj, Director (Finance) is permanent invitee to the meetings of Audit Committee.



Notes:

- Dr. K.S Rao was Chairman upto 03.02.2017(Relinquishment),
- Shri Sushant Baliga, Part-time Non Official Director is the Chairman w.e.f. 17.03.2017
- Shri Vinoo Gopal, Director (Projects) was Member upto 30.03.2017
- Shri Lekh Raj, Director (Finance) is permanent invitee w.e.f 25.04.2017.

During 2016-17, the Committee had five meetings on 29.04.2016, 26.07.2016, 05.09.2016, 23.12.2016 and 17.03.2017.

The attendance details are as under-

Member	No. of Meetings held during their respective tenure	No. of Meetings attended
Dr. K.S Rao, Independent Director-Chairman*	4	4
Shri Vinoo Gopal, Director (Projects)-Member@	5	4
Shri Siya Sharan, Part-time Official Director-Member	5	4
Shri Sushant Baliga, Part-time Non Official Director-Member#	5	4
Smt. Anita Chaudhary, Part-time Non Official Director- Member	5	5

*Chairman upto 03.02.2017(Relinquishment) @Member upto 30.03.2017 # Chairman w.e.f. 17.03.2017

Terms of Reference of Audit Committee

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

1. The Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
3. Examination of the financial statement and the auditors' report thereon.
4. Approval or any subsequent modification of transactions of the company with related parties.
5. Scrutiny of inter-corporate loans and investments.
6. Valuation of undertakings or assets of the company, wherever it is necessary.
7. Evaluation of internal financial controls and risk management systems.
8. Monitoring the end use of funds raised through public offers and related matters, whenever applicable.
9. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement



before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.

10. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of the Companies Act 2013 or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.
11. The Audit Committee of the company or the Board shall, in consultation with the Internal Auditor, formulate the scope, functioning, periodicity and methodology for conducting the internal audit.
12. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
13. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
14. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with legal requirements relating to financial statements;
 - f. Disclosure/ review of any related party transactions;
 - g. Qualifications in the draft audit report.
15. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
16. Reviewing, with the management, performance of internal auditors, adequacy of the internal control systems
17. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit
18. Discussion with internal auditors and/or auditors any significant findings and follow- up there on.
19. Reviewing the findings of any internal investigations by the internal auditors/ auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
20. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
21. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment 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

In accordance with the provisions of the Companies Act 2013 and Rules thereunder, the Company has constituted on 15.03.2013 (reconstituted thereafter), a Board level Corporate Social Responsibility and Sustainability committee, headed by an Independent Director.

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

Presently, Committee has the following members:

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

Notes:

- Smt. Anita Chaudhary, Independent Director is Chairman w.e.f. 17.03.2017
- Shri Lekh Raj, Director (Finance) is Member from 25.04.2017
- Shri Vinoo Gopal, Director (Projects) was Member upto 30.03.2017
- Dr. K.S Rao was Chairman upto 03.02.2016
- Shri S. Sakthimani was Member from 30.03.2017 to 13.04.2017

During 2016-17, the Committee had three meetings on 29.04.2016, 28.07.2016 and 05.09.2016.

The attendance details are as under-

Member	No. of Meetings held during their respective tenure	No. of Meetings attended
Dr. K.S Rao, Independent Director-Chairman*	3	3
Smt. Anita Chaudhary, Independent Director- Chairman#	0	0
Shri Vinoo Gopal, Director (Projects)-Member@	3	2
Shri Sushant Baliga, Independent Director- Member	3	3
Shri S. Sakthimani, Additional charge of Director (Finance)**	0	0
Shri Lekh Raj, Director (Finance)@@	0	0

* Chairman upto 03.02.2016, # Chairman w.e.f. 17.03.2017, @ Member upto 30.03.2017, ** Member from 30.03.2017 to 13.04.2017, @@ Member from 25.04.2017



A team of officials headed by Nodal Officer has also been constituted to oversee the implementation of CSR and Sustainability agenda of the company.

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.

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

1.	Smt. Sushant Baliga, Independent Director	-	Chairman
2.	Smt. Anita Chaudhary, Independent Director	-	Member
3.	Shri Vishvajit Sahay, Part time Official Director	-	Member
4.	Shri Siya Sharan, Part time Official Director	-	Member

Shri Lekh Raj, Director (Finance) is the permanent invitee to the meetings of Remuneration Committee

Notes:

- Shri Sushant Baliga, Part Time Non Official Director is chairman w.e.f. 17.03.2017
- Smt. Anita Chaudhary, Part Time Non Official Director was Chairman from 23.12.2016 to 17.03.2017 and thereafter inducted as Member
- Shri Vishvajit Sahay, Part Time Official Director is Member from 23.12.2016
- Dr. K.S. Rao, Independent Director was Member upto 03.02.2016 (Relinquishment)
- Shri R.K. Singh was Member upto 04.10.2016 (Relinquishment)
- Shri Lekh Raj, Director (Finance) is permanent invitee w.e.f 25.04.2017.

During 2016-17, the Committee had one meeting on 17.03.2017.



The attendance details are as under-

Member	No. of Meetings held during their respective tenure	No. of Meetings attended
Shri Sushant Baliga, Part Time Non Official Director-Chairman*	1	1
Smt. Anita Chaudhary, Part Time Non Official Director-Member [#]	1	1
Dr. K.S Rao, Independent Director- Member [@]	0	0
Shri R.K. Singh, Part Time Official Director-Member ^{**}	0	0
Shri Vishvajit Sahay, Part Time Official Director-Member ^{@@}	1	1
Shri Siya Sharan, Part Time Non Official Director-Member	1	1

*Chairman w.e.f. 17.03.2017, [#]Chairman from 23.12.2016 to 17.03.2017 thereafter Member, [@]Member upto 03.02.2016 (Relinquishment), ^{**}Member upto 04.10.2016 (Relinquishment), ^{@@} Member from 23.12.2016

4. OTHER COMMITTEES

The following committees exist comprising of Senior Management Personnel of the Company (i.e. below board level)-

SHARE TRANSFER COMMITTEE

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

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

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

The shareholding pattern of the Company as on 31st March 2017 is as under:

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



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” 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. SUBSIDIARY COMPANY AND JOINT VENTURE

Subsidiary Company:

A subsidiary Company of EPI has been incorporated on 19th May 2016 as “EPI Urban Infra Developers Limited” (EPIUIDL)(CIN:U45309DL2016GOI299995) 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.

During the year 2016-17, the Subsidiary Company could not start its operations and no Turnover/margin has been reported. During the year, the Subsidiary Company incurred an expenditure of Rs. 1.2 Lakhs (excluding for incorporation) for corporate records, fee for Board meeting, Audit fees for CAG appointed Statutory Auditors etc. The Board of Subsidiary Company has approved the closure of the Company subsequent to the close of financial year.

Associates:

The work for Construction of Two Lane Road in Chin State of Myanmar (109.20 Km.) was awarded to EPI-C&C “JV”, an unincorporated Joint Venture, by Ministry of External Affairs, Govt. of India in March 2017 and Joint Venture (Consortium) Agreement has since been entered with M/s C&C Constructions Ltd. as lead partner.



6. DISCLOSURES

- i) Details of the remuneration paid to the functional Directors and sitting fees paid to Independent Directors during the year 2016-17 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	27,03,309	13,39,205	-	40,42,514
Shri. Vinoo Gopal, Director (Projects)	24,52,050	8,85,990	-	33,38,040

B: Independent Director:

(In Rs.)

Name of Director	Sitting Fees		Fee for Independent Directors' meeting*	Total
	Board Meeting	Committee Meeting		
Dr. K.S. Rao	75,000	70,000	15,000	1,60,000
Shri Sushant Baliga	75,000	80,000	30,000	1,85,000
Smt. Anita Chaudhary	90,000	60,000	30,000	1,80,000

* includes fee paid for meeting held on 2.3.2016

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 @ Rs. 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. 75,000- 90,000 (IDA) and all other whole time director are appointed in the revised schedule "B" scale of pay of Rs. 65,000-75,000/- (IDA). 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) Administrative expenses as a percentage of total expenses has been 2.61% in 2016-17 as compared to 2.69% in 2015-16. Financial expenses as a percentage of total expenses has been 0.37% in 2016-17 as compared to 0.45% in 2015-16. In spite of increase in turnover by 25.16% in FY 2016-17 over the previous year, the Company has been able to maintain percentage of Administrative expenses and Financial expenses at broadly the same percentage as 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) displays the official news release of the company like Annual Report, tenders, and career opportunities etc.

7. 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)
46 th	2015-16	September 30 th , 2016 at 11:30 a.m.	Core-3, SCOPE Complex, (4 th Floor), 7 Lodhi Road, New Delhi-110003
45 th	2014-15	September 29 th , 2015 at 3:00 p.m.	Core-3, SCOPE Complex, (4 th Floor), 7 Lodhi Road, New Delhi-110003
44 th	2013-14	September 29 th , 2014 at 3:00 p.m.	Core-3, SCOPE Complex, (4 th Floor), 7 Lodhi Road, New Delhi-110003

Notice of 47th Annual General Meeting for the financial year 2016-17 contains 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
46 th	2015-16	Amendment in Memorandum of Association
45 th	2014-15	NIL
44 th	2013-14	NIL



8. 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 (C&E) has been appointed as First Appellate Authority.

Information has been provided as per provisions of RTI Act, 2005 in response to 74 applications / requests received during the year under report.

9. 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 alongwith 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.

10. AUDIT QUALIFICATIONS

Reply to comments on Accounts by Statutory Auditor and Secretarial Auditor is included as an attachment to the Directors’ Report. Reply to comments of Comptroller & Auditor General of India, if any, has been attached as an addendum to the Director’s Report.

11. 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 organized by SCOPE and Institute of Directors (IOD), Department of Public Enterprise (DPE) etc.

12. 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.



13. CODE OF CONDUCT

The Board of Directors has laid down the Code of Business Conduct and Ethics for the Board members and Senior Management of the Company. The Code of Conduct has been hosted on company's website www.engineeringprojects.com. All Board members and key officials of the company have affirmed their compliance with the code (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 Smt. 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.

14. 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 31st March, 2017 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 2016-17 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 2016-17;
 - b) Significant changes in accounting policies during the year 2016-17 and the same have been disclosed in the notes to the financial statements; 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

Sd/-

(N. Sivanand)
Chairman-cum-Managing Director (A/C) &
Chief Executive Officer

Place: New Delhi

Date: 04th September 2017



Annexure B2

DECLARATION BY CHAIRMAN-CUM-MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2016-17.

I, N. Sivanand, Joint Secretary, DHI and 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 2016-17.

Sd/-

(N.Sivanand)

Chairman-cum-Managing Director (A/C)

DIN: 07852689

Place: New Delhi

Date: 04th September 2017



CORPORATE GOVERNANCE CERTIFICATE

To

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

We have examined the compliance of the conditions of Corporate Governance by **Engineering Projects India Limited**, (hereinafter referred as 'the Company') for the year ended on **31st March, 2017** as stipulated in 'Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010' vide Notification No. 1 No. 18(8)/2005-GM originally issued on 22.06.2007 and revised guidelines issued vide office memorandum time to time by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India and annexure mentioned there under (hereinafter referred as '**Guidelines**').

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

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

For **AGB & Associates**
Company Secretaries

Sd/-
FCS Nitin Rawat
(Partner)
C.P. No. 10554

Place: New Delhi
Date: 25/08/2017



CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT

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 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.

Activities during 2016-17

During the year 2016-17, Construction of one classroom at a new campus of Bhaktivedanta Gurukula and International School (BGIS) Vridavan, Mathura in village Ajhai Mathura district was undertaken. However activities pertaining to previous year were paid/ completed during this year.

PLAN FOR 2017-18

Budget

2% of the average net profit for the immediately preceding three financial years (i.e. Rs. (736.73) Lakhs [2014-15], Rs. 105.77 Lakhs [2015-16], and Rs. 108.48 Lakhs [2016-17] excluding profits from foreign branches) works out to Rs.(3.48) Lakhs. Due to the non availability of Profits (computed as per Section 198 of the Companies Act 2013), the budget for the year 2017-18 is NIL. However an amount of Rs. 0.33 Lakhs carried forward from previous year i.e. 2016-17 is kept for utilization for future activities.

As per Companies (Corporate Social Responsibility Policy) Rules, 2014, Annual Report on CSR as per the specified format is at **Annexure C1**.



THE ANNUAL REPORT ON CSR ACTIVITIES

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

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

Corporate Social Responsibility Policy and Plan of the Company is also available at the Company's website at <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. | Smt. 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.

EPI is also having a Below Board Level CSR and Sustainability Committee headed by a Nodal Officer along with team of officials.

3. Average net profit of the company for last three financial years:

The Average net profit of the company for last three financial years was Rs. 164.87 Lakhs (i.e. average of Rs. 1125.58 Lakhs for 2013-14, Rs. (736.73) Lakhs for 2014-15 and Rs. 105.77 for 2015-16 excluding profits from foreign branches) for CSR budget for the year 2016-17.



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

Prescribed CSR Expenditure for the year 2016-17 was Rs. 3.3 Lakhs (2% of Rs. 164.87 Lakhs) however the company has allocated Rs. 10 Lakhs for Corporate Social Responsibility and Sustainability activities for 2016-17 (including carried forward of Rs. 2.92 lakhs from 2015-16).

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year 2016-17-

Budget of Rs. 18.54 Lakhs (includes Budget allocation of Rs. 10 Lakhs including carried forward of Rs. 2.92 lakhs from previous years plus Rs. 8.54 Lakhs towards the activities awarded before 31.3.2016 and completed/paid after 31.3.2016) was available for undertaking Corporate Social Responsibility and Sustainability activities for 2016-17.

(b) Amount unspent, if any;

Against the available budget of Rs. 18.54 Lakhs (includes Budget allocation of Rs. 10 lakhs for the year 2016-17 and Rs. 8.54 Lakhs carried forward from previous year), Rs. 16.73 lakhs has been spent towards activities awarded during the year and activities awarded in 2015-16 resulting an unspent balance of Rs. 1.81 lakhs. Out of Rs. 1.81 Lakhs, Rs. 1.48 Lakhs has already been utilized/ paid after closure of financial year. Rs. 0.33 Lakhs is being carried forward for utilization in future activities.

(c) Manner in which the amount spent during the previous year is detailed below :

(Rs. In Lakhs)

S. No	CSR project or activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1. Direct expenditure on projects or programs. 2. Overheads:	Cumulative expenditure upto to the reporting period. (Including expenditure incurred in previous years)	Amount spent: Direct or through implementing agency
1.	Construction of one classroom at a new campus of Bhaktivedanta Gurukula and International School (BGIS)	Clause1 (ii) of Schedule VII	1. Local area 2. Dist:-Ajhai, Mathura	9.5	8.55	8.55 @	By signing agreement with International Society for Krishna Consciousness (ISKCON) and BGIS
2.	Maintenance of 10 no. toilets constructed under Swachh Vidyalaya Campaign	Clause1 (i) of Schedule VII	1. Local area 2. Dist:- Dhubri & Barpeta of Assam and Purba Medinipur of West Bengal	*	1.06	1.28@	Direct by school authorities



3.	To provide- (a) RO Plant (b) Solar Lights	Clause 1 (i) & (iv) of Schedule VII	1. Local area 2. Dist:- Pilibhit, Uttar Pradesh	*	6.62	6.62 [@]	Direct by engaging contractors
4.	Tree Planation at ITBP Jabalpur	Clause 1 (iv) of Schedule VII	1. Local area 2. Dist:- Jabalpur, Madhya Pradesh	*	0.50	0.50	Direct by engaging contractors
	TOTAL				16.73	16.95	

@ Balance payment of Rs. 0.95 Lakhs, Rs. 0.33 lakhs and Rs. 0.20 lakhs payable after 31.03.2017 respectively

* Activity awarded in 2015-16 which were completed/ payments released in 2016-17.

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:

As per the past practice of the company any unspent balance is of non lapsable nature. An Amount of Rs. 0.33 Lakhs being unspent is carried forward for utilization in future activities.

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/-
(Smt. Anita Chaudhary)
(Chairman- CSR Committee)

Date: 04th September 2017

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/-
(N. Sivanand)
Chairman-cum-Managing Director (A/C)
DIN: 07852689

Place: New Delhi
Date: 04th September 2017



Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2017

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: -**U27109DL1970GOI117585**
- ii) Registration Date: **16th April 1970**
- iii) Name of the Company: **Engineering Projects (India) Limited**
- iv) Category / Sub-Category of the Company: **Miniratna, Category II (Schedule B)**
- v) Address of the Registered office and contact details: **Core-3, Scope Complex, 7 Lodhi Road, New Delhi-110003, Tel : 91-11-24361666**
- vi) Whether listed company Yes / No: **No**
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:

Name: **MCS Share Transfer Agent Limited**

Address: **F-65, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi-110020**

Contact No.: **41406149-52**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service*	% to total turnover of the company
1.	Construction of Buildings	410	42%
2.	Construction of other civil engineering projects	429	49%

*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 Core-3, Scope Complex, 7 Lodhi Road, New Delhi-110003	U45309DL2016GOI299995	Subsidiary Company	51%	2(87)



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

i) Category-wise Share Holding

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



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

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% 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
	Total	35415677	99.98%	Nil	35415677	99.98%	Nil	Nil



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

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

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

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



(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	At the beginning of the year Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Shri SPS Bakshi, Chairman-cum-Managing Director (under suspension w.e.f. 20.03.2017) Beginning of the year End of the year	Nil Nil	Nil Nil	Nil Nil	Nil Nil
2.	Shri Vinoo Gopal, Director (Projects) Beginning of the year End of the year	Nil Nil	Nil Nil	Nil Nil	Nil Nil
3.	Shri S. Sakthimani, Director (Finance) (w.e.f. on 29.03.2017-13.04.17) Beginning of the year End of the year	Nil Nil	Nil Nil	Nil Nil	Nil Nil
4.	Shri Rajesh Kumar Singh, Govt. Nominee Director Beginning of the year End of the year (ceased w.e.f 04.10.2016)	Nil Nil	Nil Nil	Nil Nil	Nil Nil
5.	Shri Vishvajit Sahay, Govt. Nominee Director Beginning of the year End of the year (appointed w.e.f. 03.11.2016)	Nil Nil	Nil Nil	Nil Nil	Nil Nil
6.	Shri Siya Sharan, Govt. Nominee Director Beginning of the year End of the year	Nil Nil	Nil Nil	Nil Nil	Nil Nil
7.	Dr. K. S. Rao, Independent Director Beginning of the year End of the year (ceased w.e.f. 03.02.2017)	Nil Nil	Nil Nil	Nil Nil	Nil Nil
8.	Shri Sushant Baliga, Independent Director Beginning of the year End of the year	Nil Nil	Nil Nil	Nil Nil	Nil Nil
9.	Smt. Anita Chaudhary, Independent Director Beginning of the year End of the year	Nil Nil	Nil Nil	Nil Nil	Nil Nil
10.	Smt. Sudha V. Varadhan Beginning of the year End of the year	Nil Nil	Nil Nil	Nil Nil	Nil Nil



V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		CMD [CEO]	Dir. (P)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2703309	2437050	5140359
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	512370	452108	964478
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
	- Others, specify...	0	0	0
5	Others- Contribution to Statutory Funds & other reimbursements etc.	0	0	0
	Total (A)	3215679	2889158	6104837
	Ceiling as per the Act	Not applicable as section 197 of Companies Act, 2013 shall not apply to Government Companies in terms of the Ministry of Corporate Affairs notification dated 5 th June 2015.		

* Under suspension w.e.f. 20.03.2017



B. Remuneration to other directors:

Sl.No.	Particulars of Remuneration	Name of Directors			Total Amount
		Dr. K.S. Rao (up to 03.02.2017)	Shri Sushant Baliga	Smt. Anita Chaudhary	
1.	Independent Directors				
	• Fee for attending board / committee meetings	145000	155000	150000	450000
	• Commission				
	• Others, please specify	15000	30000	30000	75000
	Total (1)	160000	185000	180000	525000
2.	Other Non-Executive Directors				
	• Fee for attending board / committee meetings				
	• Commission				
	• Others, please specify				
	Total (2)	-	-	-	-
	Total (B)=(1+2)				
	Total Managerial Remuneration	160000	185000	180000	525000
	Overall Ceiling as per the Act	Not applicable as section 197 of Companies Act, 2013 shall not apply to Government Companies in terms of the Ministry of Corporate Affairs notification dated 5 th June 2015.			

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

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	1644843	0	1644843
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	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 - - as % of profit - Others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	0	1644843	0	1644843



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)
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL



SECRETARIAL AUDIT REPORT

Form No. MR-3

(For the Financial year ended on 31st March 2017)

[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
CJN: U27109DL1970GOL117585
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 31st March 2017, 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 2017 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;
- (iv) 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 28th 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) Wealth Tax Act, 1957
 - (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 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.

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 where requisite compliance has been made, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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 specific events/ actions have been observed:

1. It has been informed to us that disinvestment process of "The Company" through merger with similarly placed CPSE is going on in compliance of the decision of Cabinet Committee on Economic Affairs (CCEA) in its Meeting held on 17th February 2016.
2. It has been further informed to us that closure of the Subsidiary Company "EPI Urban Infra Developers Limited" (EPIUIDL)(CIN:U45309DL2016GOI299995) of "The Company" was incorporated on 19th May 2016 with 51% equity participation of "The Company" and which is non-operational and therefore is contemplated to be closed.
3. According to the information and explanations given to us, CBI has registered a case and filed FIR against some employees of "The Company". The case is in respect of alleged illegal gratification taken by the accused employees of "The Company" to award a tender in favour of a particular party and these employees are under suspension. Further as explained to us "The Company" is not named as party in the FIR and no financial impact on its financial statement is envisaged.

**For Vishal Agarwal & Associates
Company Secretaries**

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

Place: New Delhi
Date : 04.09.2017

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 : 04.09.2017**



INDEPENDENT AUDITOR'S REPORT

To The Members of

Engineering Projects (India) Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Engineering Projects (India) Limited (**"the Company"**), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended, in which are incorporated the six audited returns e.g. Western Region, Eastern Region, Southern Region, Northern Region and overseas returns of Oman and Sri Lanka audited by the other branch auditors and returns of Corporate Office and returns of Jaipur and Alwar offices, audited by us.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the order under section 143 (11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other Auditors on financial statement of the regions, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017, and its Profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters

- In Northern Region, trade receivable includes outstanding dues from Government departments, PSU and other clients amounting to Rs. 2227.51 Lakhs (net of provision) (Refer Note no 2.11) in respect of closed project, which are outstanding for more than three years, this includes an amount of Rs. 1835.48 lakhs (net of provision) under litigation/arbitration/corporate insolvency. In view of the Management, the same has been considered as good and recoverable.
- Balances of debtors/ Creditors and other parties are subject to confirmation/ reconciliation. As explained to us, the company is mainly dealing with the government parties. In our opinion, process of getting confirmation needs to be strengthened
- Attention is invited to note no. 2.20, the company has created a provision of Rs. 9.58 Crore on account of future expected loss in accordance with Accounting Standard 7 issued by the Institute of Chartered Accountants of India.

Our opinion is not qualified in respect of the above matters

Other Matters

We did not audit the financial statements/information of 6 (Six) regional offices included in the standalone financial statements of the Company whose financial statements/ financial information reflect total assets of Rs. 1768.51 Crore, Total liabilities of Rs. 1619.81 Crore as at 31st March, 2017 and total revenues of Rs. 1649.96 Crore for the year ended on that date, as considered in the standalone financial statements.



The financial statements/ information of these regional offices have been audited by the other auditors 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 these branches, is based solely on the report of such branch auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of Section 143 of the Act, the compliances of which is set out in "**Annexure B**".
3. As required by section 143(3) of the Act based on our audit and on the consideration of report of other auditors on separate financial statement, as noted in the 'other matter paragraph' we report to the extent applicable that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) the reports on the accounts of the regional offices of the Company audited under Section 143 (8) of the Act by other 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;
 - (e) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (f) in terms of Notification No. G.S.R. No. 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164(2) of the Act regarding disqualification of directors, are not applicable to the Company.
 - (g) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, Regional / branch auditors have submitted their separate report. We have consolidated the separate report based on the feedback received from regional / branch auditors in "**Annexure-C**" and
 - (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 as at March 31 2017 on its financial position in its financial statements- Refer Note 2.24 to the financial statements;
- ii. the Company has made provision, as required under the applicable law or accounting standard, 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.
- iv. the company as detailed in note no. 2.46 to the financial statement, has made requisite disclosure in the financial statement as to holding as well as dealing in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of accounts maintained by the Company.

For GSA & Associates

Chartered Accountants,
FRN: 000257N

Sd/-

Sunil Aggarwal

Partner

Membership No. 083899

Place: New Delhi

Dated: 4th Sept 2017



Annexure A to the Auditor's Report

The Annexure referred in the Independent Auditors' Report to the member of the Company on the standalone financial statement for the year ended 31st March 2017, we report that:

- (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.
- (ii) (a) The management has conducted physical verification of Inventory at reasonable intervals during the year. Inventory of the company comprises of construction work in progress and stock of material.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper quantitative records of its inventory and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanation given to us the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in register maintained under section 189 of Companies Act, 2013. Accordingly, provisions of clauses 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us the Company has not made any loans, investments, guarantee, and security in terms of Section 185 and 186 of Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public.
- (vi) As per the explanation and information given to us, the company is maintaining cost records and these are subject to Cost Audit in pursuant to rule 6(4) of the Companies (Cost Records and Audit) Rules, 2014. Cost Auditor appointed by the Company has submitted the cost audit report for the year ended 31st March 2016 and 31st March 2017 on 5th Sept 2016 and 4th Sept 2017 respectively. We have broadly reviewed the cost records maintained by the Company and are of the opinion that, prima facie, the prescribed cost records have



been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(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. However, as reported by the auditor of Western Region, except for one case i.e. Rs. 1,75,993/- w.r.t. Work contract tax payable, there are no undisputed outstanding statutory dues as at the last day of the financial year i.e. 31st March 2017 for a period of more than six months from the date they became payable. As explained to us, said amount has been deposited on 04.09.2017.

(b) As at 31st March 2017, the following are the particulars of dues on account of Sales Tax, Service Tax, and Value Added Tax matters that have not been deposited on account of any dispute:

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 VAT Act 2003	Demand	9,43,02,344	2011-12	West Bengal Commercial Taxes appellate & Revisional Board, Kolkata
2	EASTERN REGIONAL OFFICE, KOLKATA		Demand	10,30,28,642	2013-14	West Bengal Taxation Tribunal, Kolkata
3	EASTERN REGIONAL OFFICE, KOLKATA		Demand	4,15,40,657	2012-13	Senior Joint Commissioner (1st Appeal) West Bengal Commercial Tax, Kolkata
4	EASTERN REGIONAL OFFICE, KOLKATA	West Bengal VAT Act 2003	Demand	2,27,17,771	2005-06	West Bengal Taxation Tribunal, Kolkata
5	EASTERN REGIONAL OFFICE, KOLKATA	West Bengal VAT Act 2003	Demand	11,61,775	2007-08	West Bengal Commercial Taxes appellate & Revisional Board, Kolkata
6	EASTERN REGIONAL OFFICE, KOLKATA	West Bengal VAT Act 2003	Demand	41,045	2008-09	Fast Track Revisional Authority, West Bengal Commercial Tax, Kolkata
7	EASTERN REGIONAL OFFICE, KOLKATA	West Bengal VAT Act 2003	Demand	19,13,545	2009-10	Special Commissioner, West Bengal Commercial Tax, Kolkata
8	SOUTHERN REGIONAL OFFICE, CHENNAI	Andhra Pradesh Value Added Tax Act	Demand	44,48,905	2008-09 & 2009-10	High Court of Andhra Pradesh, Hyderabad



9	NORTHERN REGIONAL OFFICE, NEW DELHI	UP Trade Tax Act, 1948	Demand	8,72,500	1993-94	Sales Tax Tribunal
10	EASTERN REGIONAL OFFICE, KOLKATA	Finance Act, 1994 (Service Tax Laws)	Demand/ Penalty	4,18,63,946	2005-06 to 2007-08	The CESTAT, Kolkata
11	EASTERN REGIONAL OFFICE, KOLKATA		Demand/ Penalty	37,46,050	2010-11 to 2012-13	
12	EASTERN REGIONAL OFFICE, KOLKATA		Demand/ Penalty	36,17,680	2004-05, 2005-06	Office of the Commissioner of the Central Excise, Morello Compound - Shillong
13	NORTHERN REGIONAL OFFICE, NEW DELHI		Demand/ Penalty	9,83,80,264	2004-05 to 2007-08	Delhi High Court
		Total		41,76,35,124		

- (viii) Based on our audit procedures and according to the information and explanations given to us by the management, the company has not defaulted in repayment of loans & borrowings to any financial institution, bank, government and dues to debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, CBI has registered a case and filed FIR against some employees of EPI. The case is in respect of alleged illegal gratification taken by the accused employees of EPI to award a tender in favour of a particular party. Further as explained to us EPI is not named as party in the FIR and no financial impact on its financial statement is envisaged
- (xi) In view of the exemption given in terms of Notification No. G.S.R. No. 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 read with schedule V to the Companies Act, 2013 regarding managerial remuneration are not applicable to the company.
- (xii) The Company is not a Nidhi Company, accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanation provided to us and based on our examination of the records of the Company all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where ever applicable and the details have been disclosed in the Financial Statements etc. as required by the accounting standards and Companies Act, 2013.
- (xiv) The Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year.



- (xv) According to the information and explanation provided to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company

For GSA & Associates

Chartered Accountants,

FRN: 000257N

Sd/-

Sunil Aggarwal

Partner

Membership No. 083899

Place: New Delhi

Date: 4th Sept 2017



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

S. No.	Directions	Reply
1	Whether the company has clear title/ lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/ lease deeds are not available.	<ul style="list-style-type: none"> • The company has clear title / lease deed for lease hold land of Alwar property. • There is no freehold land held by the company. • As explained to us, Corporate office in Core 3-Scope Complex, New Delhi is on lease as the company is paying annual ground rent to lessor. However, the company is holding one letter dated 24th Jan 1979 issued by Land & Development Office of Government for allotment of land.
2	Whether there are any cases of waiver/ write off of debts/ loans/ interest etc. If yes, reasons thereof and amount involved.	<ul style="list-style-type: none"> • As reported by the auditor of Northern Region, during the year waiver/write off of debts amounting to Rs. 5,05,41,763/- has been accounted for in the financial statements. Out of the above amount Rs. 4,38,52,589/- has been written off and Rs. 66,89,174/- as Bad debts against which provision for doubtful debts made in earlier years. These balances are written off on account of arbitration settlement/where chances of recovery as per the Management are very remote as the amount are pending for a long period. Similarly, during the year balances have been written back amounting to Rs. 4,48,97,083/- on account of these matter. • As reported by the auditor of southern region, waiver / write off of debts amounting of Rs. 81,99,470/- during the year has been accounted in the financial statements. As per Management these amounts are pending for a long period and chances of recovery are very remote.
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/ grants from government or other authorities	<ul style="list-style-type: none"> • As per information & explanation given to us there is no inventory lying with third parties and no assets received as gift from Government or other authorities.

For GSA & Associates
Chartered Accountants,
FRN: 000257N

Sd/
(Sunil Aggarwal)
Partner
Membership No. 083899

Place: New Delhi
Date: 4th Sept 2017



Annexure – C to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Engineering Projects (India) Limited ("the Company")** as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date. In this report, we have consolidated the feedback received from regional auditors.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable



assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 needs certain improvement
- b) Coverage of the tendering process in internal audit needs improvement.
- c) As reported by the auditor of Northern Region, access and editing rights for books of accounts, mapping and usage of reporting & analytics capability in SAP system, which is introduced during the year need improvements although they do not form any internal control deficiency.

For GSA & Associates
Chartered Accountants,
FRN: 000257N

Sd/-
Sunil Aggarwal
Partner
Membership No. 083899

Place: New Delhi
Dated: 04th Sept 2017



STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2017

(Amount in ₹)

	Particulars	Note No.	As at 31st March, 2017		As at 31st March, 2016	
I.	EQUITY AND LIABILITIES					
1	Shareholders' Funds :					
	a) Share Capital	2.1	354,226,880		354,226,880	
	b) Reserves and Surplus	2.2	<u>1,951,102,597</u>	2,305,329,477	<u>1,924,157,152</u>	2,278,384,032
2	Non Current Liabilities					
	a) Long - Term Borrowings	-	-		-	
	b) Other Long - Term Liabilities	2.3	4,682,214,896		3,358,906,892	
	c) Long - Term Provisions	2.4	<u>294,824,002</u>	4,977,038,898	<u>273,151,216</u>	3,632,058,108
3	Current Liabilities					
	a) Short Term Borrowings	-	-		-	
	b) Trade Payables	2.5				
	i) Due to MSME		-		-	
	ii) Due to Others		4,659,849,128		3,625,269,331	
	c) Other Current Liabilities	2.6	<u>6,859,017,240</u>		6,390,936,539	
	d) Short Term Provisions	2.7	<u>130,013,234</u>	11,648,879,602	<u>172,737,972</u>	10,188,943,842
	Total			18,931,247,977		16,099,385,982
II.	ASSETS					
1	Non current assets					
	a) Property, Plant & Equipment	2.8				
	(i) Tangible Assets		94,219,531		93,186,471	
	(ii) Intangible Assets		5,210,057		935,098	
	(iii) Capital Work-in-Progress		-		-	
	(iv) Intangible Assets Under Development		-		5,499,043	
			<u>99,429,588</u>		<u>99,620,612</u>	
	b) Non Current Investments	-	-		-	
	c) Deferred Tax Assets (Net)	2.9	169,061,296		109,344,125	
	d) Long Term Loans and Advances	2.10	4,716,152,663		2,716,088,404	
	e) Other Non Current Assets	2.11	<u>805,666,074</u>	5,790,309,621	<u>681,056,063</u>	3,606,109,204
2	Current assets					
	a) Current Investments	2.12	-		-	
	b) Inventories	2.13	39,653,089		85,539,569	
	c) Trade Receivables	2.14	3,096,790,303		1,706,678,843	
	d) Cash and Bank Balances	2.15	2,972,578,075		3,066,038,322	
	e) Short Term Loans and Advances	2.16	3,400,139,110		2,935,726,510	
	f) Other Current Assets	2.17	<u>3,631,777,779</u>	13,140,938,356	<u>4,699,293,534</u>	12,493,276,778
	Total			18,931,247,977		16,099,385,982
	Significant Accounting Policies	1				
	Notes to accounts	2				

The accounting policies and notes are integral part of the financial statements

For and on behalf of the Board of Directors

Sd/-
(Sudha V. Varadhan)
Company Secretary

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

Sd/-
(Lekh Raj)
Director (Finance)

Sd/-
(N. Sivanand)
Chairman-cum-Managing Director
(Additional Charge)

As per our report on even date attached
For GSA & Associates
Chartered Accountants
FRN-000257N

Sd/-
Sunil Agarwal
Membership No. 083899

Place : New Delhi
Date : 04.09.2017



STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

Particulars		Note No.	Year ended 31st March, 2017	Year ended 31st March, 2016
I.	Revenue From Operations	2.18	16,214,541,615	12,954,644,389
II.	Other Income	2.19	339,772,727	277,296,059
III.	Total Income (I+II)		16,554,314,342	13,231,940,448
IV.	Expenses:			
	Operating Expenses	2.20	15,227,997,840	11,649,262,546
	Employee Remuneration and Benefits	2.21	777,938,015	785,061,710
	Finance Costs	2.22	61,425,675	58,092,977
	Depreciation & Amortisation Expenses	2.8	14,357,953	11,414,940
	Other Expenses	2.23	431,421,368	346,190,826
	Total Expenses		16,513,140,851	12,850,022,999
V.	Profit before exceptional and extraordinary items and tax (III-IV)		41,173,491	381,917,449
VI.	Exceptional Items		-	-
VII.	Profit before Extraordinary Items and Tax (V-VI)		41,173,491	381,917,449
VIII.	Extraordinary Items		-	-
IX.	Profit/(Loss) Before Tax (VII-VIII)		41,173,491	381,917,449
X	Tax Expense			
	Current Tax		62,906,269	169,884,253
	Deferred Tax		(59,717,171)	(33,202,332)
	Tax for Previous year		11,038,948	(227,169)
XI.	Profit For the Year (IX-X)		26,945,445	245,462,697
XII.	Earnings Per Share (Basic & Diluted)	2.40	0.76	6.93
	Significant Accounting Policies	1		
	Notes to Accounts	2		

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

For and on behalf of the Board of Directors

Sd/-
(Sudha V. Varadhan)
Company Secretary

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

Sd/-
(Lekh Raj)
Director (Finance)

Sd/-
(N. Sivanand)
Chairman-cum-Managing Director
(Additional Charge)

As per our report on even date attached
For GSA & Associates
Chartered Accountants
FRN-000257N

Sd/-
Sunil Agarwal
Membership No. 083899

Place : New Delhi
Date : 04.09.2017



STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

Particulars	2016-2017	2015-2016
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	41,173,491	381,917,449
ADJUSTMENTS FOR:		
- DEPRECIATION AND AMORTIZATION	14,357,953	11,414,940
- LOSS/(PROFIT) ON SALE OF ASSETS (NET)	2,467,767	126,147
- INTEREST ON FDs	(65,410,713)	(71,429,500)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY		
- CASH & CASH EQUIVALENTS		
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(7,411,502)	322,029,036
- DECREASE/(INCREASE) IN INVENTORIES	45,886,480	49,989,524
- DECREASE/(INCREASE) IN UNBILLED REVENUE	919,767,817	632,118,407
- DECREASE/(INCREASE) IN SUNDRY DEBTORS	(1,514,721,470)	1,095,520,143
- DECREASE/(INCREASE) IN FDs UNDER LIEN	(1,951,993)	(1,813,478)
- DECREASE/(INCREASE) IN LOANS & ADVANCES	(1,788,585,000)	901,631,257
- INCREASE/(DECREASE) IN CURRENT LIABILITIES & PROVISIONS	2,356,458,631	(1,889,676,891)
CASH GENERATED FROM OPERATIONS	16,854,465	787,768,962
- INCOME TAX PAID	(65,002,344)	(27,610,735)
NET CASH FROM OPERATING ACTIVITIES	(55,559,381)	1,082,187,263
CASH FLOWS FROM INVESTING ACTIVITIES		
- PURCHASE/CONSTRUCTION OF FIXED ASSETS	(16,672,583)	(16,113,601)
- PROCEEDS FROM SALE OF ASSETS	37,884	200,882
- INTEREST INCOME	106,954,280	43,514,246
NET CASH FROM INVESTING ACTIVITIES	90,319,581	27,601,527
CASH FLOW FROM FINANCING ACTIVITIES		
- DIVIDEND PAID	(108,154,689)	(70,845,376)
- DIVIDEND TAX PAID	(22,017,751)	(14,422,454)
NET CASH USED IN FINANCING ACTIVITIES	(130,172,440)	(85,267,830)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY		
- CASH & CASH EQUIVALENTS		
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(95,412,240)	1,024,520,960
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3,001,046,043	1,976,525,083
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2,905,633,803	3,001,046,043
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
CASH IN HAND (REFER NOTE NO 2.15)	31,967	92,808
CHEQUES IN HAND (REFER NOTE NO 2.15)	-	20,000
REMITTANCE IN TRANSIT	-	-
BALANCE WITH BANK'S IN CURRENT ACCOUNTS (REFER NOTE NO 2.15)	509,014,314	201,598,086
BALANCE WITH OTHER BANK'S FIXED DEPOSITS OTHER (REFER NOTE NO 2.15)	2,396,587,522	2,799,335,149
CASH AND CASH EQUIVALENT	2,905,633,803	3,001,046,043
ADD: BALANCE IN DEPOSIT ACCOUNTS (PLEDGED)	66,944,272	64,992,279
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2,972,578,075	3,066,038,322

NOTE: CASH AND CASH EQUIVALENTS CONSIST OF CASH AND BANK BALANCES INCLUDING FDs AND LIQUID INVESTMENT EXCLUDING FDs UNDER LIEN/MARGIN.

For and on behalf of the Board of Directors

Sd/-
(Sudha V. Varadhan)
Company Secretary

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

Sd/-
(Lekh Raj)
Director (Finance)

Sd/-
(N. Sivanand)
Chairman-cum-Managing Director
(Additional Charge)

As per our report on even date attached
For GSA & Associates
Chartered Accountants
FRN-000257N

Sd/-
Sunil Agarwal
Membership No. 083899

Place : New Delhi
Date : 04.09.2017



SIGNIFICANT ACCOUNTING POLICIES (2016-17)

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 except the following:

Refer note no.	Nature of Change	Financial Impact over the current financial statements as compared to previous financial statements
2.8, 2.28	Revised Accounting Standard 10 Property, Plant and Equipment.	Financial Impact is Nil

- 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.
- 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	Building (Other than factory Building) RCC frame structure (NESD)	1.58%
2	Others Temporary Construction (Including temporary structure etc.) (NESD)	31.67%
3	Plant and Machinery used in civil construction	
3(a)(i)	Concreting, Crushing, Piling equipment and Road Making Machine	7.92%
3(a)(ii)(a)	Cranes with capacity of more than 100 tons	4.75%
3(a)(ii)(b)	Cranes with capacity of less than 100 tons	6.33%
3(a)(iii)	Earth moving equipments	10.56%
3(a)(iv)	Others including material handling/ Pipeline/welding equipments(NESD)	7.92%
4	General Furniture and Fixture (NESD)	9.50%
5	Office Equipments (NESD)	19%
6	Computers and data processing units (NESD)	
6(a)	Server and Network	15.83%
6(b)	End user devices such as Desktop, Laptop, Software including user license fee, other intangible assets etc.	31.67%
7	Motor Vehicles (NESD)	
7(a)	Motorcycles, Scooters & Other Mopeds	9.50%
7(b)	Motor Buses, Motor Lorries and Motor Cars other than used in business of running them on hire	11.88%

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

- c) Property, Plant and Equipment costing Rs. 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 ₹ 50,000/- in each case are treated as expenditure/income of the current year.



Note No. 2.1

(Amount in ₹)

Share Capital	2016-17	2015-16
Authorised 90,94,04,600 Equity Shares of ₹ 10/- Each Fully Paid Up (90,94,04,600 Equity Shares of ₹ 10/- Each Fully Paid Up)	9,094,046,000	9,094,046,000
Issued, Subscribed and Fully Paid up 3,54,22,688 Equity Shares of ₹ 10/- Each Fully Paid Up (3,54,22,688 Equity Shares of ₹ 10/- Each Fully Paid Up)	354,226,880	354,226,880
Total	354,226,880	354,226,880

Note 2.1 A

Reconciliation of No. of Shares Outstanding	2016-17	2015-16
	Number	Number
At the beginning of the year	35,422,688	35,422,688
At the end of the year	35,422,688	35,422,688

Note 2.1 B

Number of Shares Held by Each Shareholder holding More Than 5%	2016-17		2015-16	
	No. of Shares	% age	No. of Shares	% age
The President of India	35,415,677	99.98	35,415,677	99.98



Note No. 2.2

(Amount in ₹)

Reserve & Surplus	2016-17	2015-16
A) Capital Reserve		
Balance as at the beginning and end of the year	210,020	210,020
B) General Reserve		
Balance as at the beginning of the year	211,500,000	191,500,000
Add: Addition during the year*	-	20,000,000
Balance as at the end of the year	211,500,000	211,500,000
C) Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	1,712,447,132	1,617,156,875
Add: Profit/(Loss) for the year	26,945,445	245,462,697
	1,739,392,577	1,862,619,572
Less: Proposed Dividend*	-	108,154,689
Less: Dividend Distribution Tax*	-	22,017,751
Less: Transfer to General Reserve*	-	20,000,000
Balance as at the end of the year	1,739,392,577	1,712,447,132
Total	1,951,102,597	1,924,157,152

* Refer Note No.2.43



Note No. 2.3

(Amount in ₹)

Other Long Term Liabilities	2016-17	2015-16
Trade Payables		
- Micro, Small & Medium Enterprises #	-	-
- Others	1,044,944,177	849,086,216
Other Liabilities		
- Security Deposits, Retention & EMD Payable	1,922,518,621	2,460,836,163
- Less: Provision for Doubtful Payment	(21,731,000)	
-Advance Received from Client	1,732,591,963	44,693,128
- Others	3,891,135	4,291,385
Total	4,682,214,896	3,358,906,892

Note No. 2.4

(Amount in ₹)

Long Term Provisions	2016-17	2015-16
Employee Benefits:		
-Leave Encashment	115,489,137	111,420,116
-Long Service Award	4,002,326	4,221,363
-Post Retirement Medical Benefits	174,678,634	157,289,999
-Post Retirement Travelling Allowance	653,905	219,738
Total	294,824,002	273,151,216

Note No. 2.5

(Amount in ₹)

Trade Payables	2016-17	2015-16
Trade Payables		
- Micro, Small & Medium Enterprises #	-	-
- Others	4,659,849,128	3,625,269,331
Total	4,659,849,128	3,625,269,331

Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been checked and no entry is found in current year.



Note No. 2.6

(Amount in ₹)

Other Current Liabilities	2016-17	2015-16
Advance From Clients	4,405,814,829	3,583,478,406
Security, Retention & Earnest Money Payable	1,455,196,259	582,846,023
Outstanding Liabilities	148,866,817	21,522,509
Amount Payable to Others	15,271,883	744,198,436
Advance Revenue for Works	613,586,477	1,192,216,836
Payable to Employees	52,063,885	35,106,346
Statutory Liabilities	168,217,090	231,567,983
Total	6,859,017,240	6,390,936,539

Note No. 2.7

(Amount in ₹)

Short Term Provisions	2016-17	2015-16
Proposed Dividend*	-	108,154,689
Dividend Tax*	-	22,017,751
Provision for Expected Loss (As per AS-7)	95,863,976	-
Employee Benefits	-	-
-Leave Encashment	19,234,310	20,878,924
-Gratuity	4,326,234	7,630,422
-Long Service Award	485,214	928,093
-Post Retirement Medical Benefits	9,972,800	13,074,892
-Post Retirement Travelling Allowance	130,700	53,201
Total	130,013,234	172,737,972

*Refer note No. 2.43

Note No. 2.8
Property, Plant & Equipments as on 31.03.2017

(Amount in ₹)

DESCRIPTION	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				CARRYING AMOUNT			
	OPENING BALANCE	ADDITIONS	ADJUSTMENTS	SALE/ WRITTEN OFF	TOTAL	OPENING BALANCE	FOR THE YEAR	ADJUSTMENTS	WRITTEN BACK	TOTAL	As at 31st March, 2017	As at 31st March, 2016
(a) TANGIBLE ASSETS												
LAND FREEHOLD	-	-	-	-	-	-	-	-	-	-	-	-
LAND LEASEHOLD	1,615,856	-	-	-	1,615,856	283,104	16,366	-	-	299,470	1,316,386	1,332,752
BUILDING FREEHOLD	4,687,325	-	-	-	4,687,325	2,454,098	122,710	-	-	2,576,808	2,110,517	2,233,227
BUILDING LEASEHOLD*	64,181,961	5,037,233	-	2,506,215	66,712,979	22,967,093	1,207,974	-	250,328	23,924,739	42,788,240	41,214,868
COMPUTER AND EQUIPMENTS	44,796,592	3,496,679	-	1,727,344	46,565,927	37,089,583	3,378,835	-	1,551,531	38,916,887	7,649,040	7,707,008
OFFICE AND OTHER EQUIPMENTS	20,792,791	4,033,391	-	879,984	23,946,198	15,101,656	2,593,862	-	831,484	16,864,034	7,082,164	5,691,135
CONSTRUCTION EQUIPMENTS	63,755,936	381,285	-	-	64,137,221	42,725,462	1,770,345	-	-	44,495,807	19,641,414	21,030,475
FURNITURES & FIXTURES	22,909,427	2,406,963	-	294,909	25,021,481	13,090,280	2,071,984	-	271,679	14,890,585	10,130,896	9,819,147
VEHICLES	7,425,944	-	-	3,960	7,421,984	3,268,085	656,985	-	3,960	3,921,110	3,500,874	4,157,859
SUB TOTAL	230,165,832	15,355,551	-	5,412,412	240,108,971	136,979,361	11,819,061	-	2,908,982	145,889,440	94,219,531	93,186,471
CAPITAL WORK IN PROGRESS	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	230,165,832	15,355,551	-	5,412,412	240,108,971	136,979,361	11,819,061	-	2,908,982	145,889,440	94,219,531	93,186,471
(b) INTANGIBLE ASSETS												
SOFTWARES (ACQUIRED)	12,531,167	1,317,032	-	44,447	13,803,752	6,097,026	2,538,892	-	42,223	8,593,695	5,210,057	6,434,141
SUB TOTAL	12,531,167	1,317,032	-	44,447	13,803,752	6,097,026	2,538,892	-	42,223	8,593,695	5,210,057	6,434,141
GRAND TOTAL	242,696,999	16,672,583	-	5,456,859	253,912,723	143,076,387	14,357,953	-	2,951,205	154,483,135	99,429,588	99,620,612
PREVIOUS YEAR	231,979,085	16,113,601	-	5,395,687	242,696,998	136,730,105	11,414,939	-	5,068,658	143,076,388	99,620,612	-

Note: Depreciation for the year includes ₹ 0 as depreciation related to previous years (Previous year ₹ 506,782)

* Conveyance deeds in respect of building at Scope Complex, New Delhi included in fixed assets at a cost of ₹ 37,441,925 (previous year ₹ 37,441,925) is pending for execution in the name of Company.





Note No. 2.9

(Amount in ₹)

Deferred Tax Assets (Net)	2016-2017	2015-2016
Depreciation on Fixed Assets	(9,588,486)	(11,732,473)
Provision for Doubtful Debts	103,340,963	79,945,778
Provision for Employee Benefits (AS-15)	42,099,368	41,021,332
Other Disallowances	33,209,451	109,488
Total	169,061,296	109,344,125

Note No. 2.10

(Amount in ₹)

Long term Loans and Advances	2016-2017	2015-2016
(Unsecured, Considered Good Unless Stated Otherwise)		
Advance for Works:	-	
-Mobilization Advance Secured Against BG	1,243,173,537	29,977,466
-Secured against Material	4,444,549	-
-Other Advances	337,247,634	234,899,258
Less: Provision for Doubtful Advances	(71,365,180) 1,513,500,540	(71,469,345) 193,407,379
Staff Loans & Advances*	3,137,853	3,449,016
Security, Retention & Earnest Money Receivable	1,340,131,719	1,827,495,261
Less: Provision for Doubtful Recovery	(110,262,569) 1,229,869,150	(31,526,978) 1,795,968,283
Income Tax Recoverable (Net of Provision of Income Tax)	195,707,984	90,179,374
Advance FBT	600,139	600,139
Sales Tax Recoverable	94,178,885	99,484,012
Advance Sales Tax	94,279,767	19,882,186
Advance Service Tax	898,105	900,000
Amount Recoverable - Others	1,589,049,665	567,374,755
Less: Provision for doubtful recovery	(5,069,425) 1,583,980,240	(55,156,740) 512,218,015
Total	4,716,152,663	2,716,088,404

*Staff Loans & Advances includes advances to Officers amounting to ₹ 1,103,084 (Previous year ₹ 960,443)



Note No. 2.11

(Amount in ₹)

Other Non Current Assets	2016-2017		2015-2016	
(Unsecured Considered Good) Trade Receivables Outstanding For:				
-More Than Six Months	939,304,163		753,906,752	
Less: Provision for Doubtful Debts	(133,638,089)	805,666,074	(72,850,689)	681,056,063
Total		805,666,074		681,056,063

Note No. 2.12

(Amount in ₹)

Current Investments	2016-2017	2015-2016
Investment in Shares of EPI Urban Infra Developers Ltd.	510,000	-
Less: Provision against Investment in EPI Urban Infra Developers Ltd.	(510,000)	-
Total	-	-

Note No. 2.13

(Amount in ₹)

Inventories	2016-2017	2015-2016
Materials :(Lower of Cost or NRV)		
-Steel	21,551,117	65,281,375
-Cement	962,962	982,334
-Pipes & Others	17,139,010	19,275,860
Total	39,653,089	85,539,569

Note No. 2.14

(Amount in ₹)

Trade Receivables	2016-2017	2015-2016
(Unsecured Considered Good) Trade Receivables Outstanding For:		
- Less Than Six Months	2,902,096,065	1,206,720,149
- More Than Six Months	194,694,238	499,958,694
Total	3,096,790,303	1,706,678,843



Note No. 2.15

(Amount in ₹)

Cash and Bank Balances	2016-2017	2015-2016
Cash & Cash Equivalents:		
Cash In Hand	31,967	92,808
Cheques In Hand	-	20,000
Balances With Banks		
-In Current Accounts*	509,014,314	201,598,086
-Fixed Deposit (With Maturity Upto 3 Months)**	2,026,419,948	2,230,288,815
	2,535,434,262	2,431,886,901
Other Bank Balances:		
Fixed Deposits ** (Pledged Against Margin Money / Earnest Money)	66,944,272	64,992,279
Fixed Deposit ** (With Maturity More Than 3 Months but less than 12 months)	370,167,574	569,046,334
Total	2,972,578,075	3,066,038,322

*Out of the above Balance in Current Account ₹ 343,740,648 (previous year ₹ 35,156,148) is held as deposit on behalf of client.

**Out of the above Balance in Fixed Deposits ₹ 1,942,394,564 (previous year ₹ 1,912,004,574) is held as deposit on behalf of client.

Note No. 2.16

(Amount in ₹)

Short Term Loan & Advances	2016-2017	2015-2016
(Unsecured, Considered Good Unless Stated Otherwise)		
Advance for Works:	-	-
-Mobilization Advance Secured Against BG	1,904,095,624	1,002,209,562
-Secured Against Material	139,750,804	164,561,211
-Other Advances	69,976,173	1,170,467,463
	2,113,822,601	2,337,238,236
Sales Tax Recoverable	111,724,861	88,454,488
Service Tax Recoverable	55,223,643	82,592,194
Staff Loans & advances	3,269,174	3,063,129
Security, Retention & Earnest Money Receivable	1,116,098,831	424,378,463
Total	3,400,139,110	2,935,726,510



Note No. 2.17

(Amount in ₹)

Other Current Assets	2016-2017	2015-2016
Interest Accrued but not due on Bank Deposits	9,418,768	50,962,335
Prepaid Expenses	73,213,816	41,189,545
Recoverable From Others	1,137,391,505	1,275,620,148
Unbilled Revenue	2,411,753,690	3,331,521,506
Total	3,631,777,779	4,699,293,534

Note No. 2.18

(Amount in ₹)

Revenue From Operations	2016-2017	2015-2016
Value of Work Done	16,258,966,185	12,930,681,145
Consultancy Fees	-	-
Other Operating Income	44,838,294	23,963,244
Other Operating Income (Prior Period)	(89,262,864)	-
Total	16,214,541,615	12,954,644,389

Note No. 2.19

(Amount in ₹)

Other Income	2016-2017	2015-2016
Interest Income earned on:		
Deposits with Bank	65,410,714	71,429,499
Staff Advances	282,688	275,539
Other (Sub Contractor /Clients /I. T. Refund)	186,284,738	251,978,140
Other non-Operating Income		
Unspent Liabilities/ Balances Written Back	66,305,185	20,933,007
Miscellaneous Income	20,085,894	17,823,020
Prior Period Other Income	1,403,508	87,794,587
Total	339,772,727	277,296,059



Note No. 2.20

(Amount in ₹)

Operating Expenses	2016-2017	2015-2016
Civil, Mechanical, Electrical Works	14,883,247,368	11,234,108,463
Design & Consultancy Charges	140,444,790	137,954,909
Other Direct Expenditure	78,446,674	268,598,473
Future Loss as per AS-07	95,863,976	-
Claims Paid	27,173,521	3,344,277
Royalty	2,679,371	5,435,522
Prior Period Operating Expenses	142,140	(179,098)
Total	15,227,997,840	11,649,262,546

Note No. 2.21

(Amount in ₹)

Employee Remuneration and Benefits	2016-2017		2015-2016	
	Operating	Administrative	Operating	Administrative
Salary & Allowances*	280,272,256	324,646,187	279,450,561	313,096,461
Contribution to Provident & Other Funds	18,778,550	24,466,346	18,942,511	24,401,565
Medical Expenses	5,523,887	56,268,969	4,930,250	77,938,294
Rajbhasha Expenses	-	875,452	-	1,128,061
Leave Encashment	-	35,093,855	-	35,502,633
Gratuity	-	4,326,234	-	7,630,422
Staff Welfare	14,682,946	13,003,333	12,504,011	9,536,941
Total	319,257,639	458,680,376	315,827,333	469,234,377
Total Operating & Administrative		777,938,015		785,061,710

*Transferred ₹ 66,702,005 / (Previous year ₹ 49,814,884/-) to Engineer 3 Projects, Oman incurred by Corporate Office on its behalf.

Note No. 2.22

(Amount in ₹)

Finance Cost	2016-2017	2015-2016
Interest Paid to:		
- Bank	19,871,793	23,316,483
- Others	41,553,882	34,776,494
Total	61,425,675	58,092,977



Note No. 2.23

(Amount in ₹)

Other Expenses	2016-2017		2015-2016	
	Operating	Administrative	Operating	Administrative
Printing & Stationery	3,226,029	7,672,094	3,457,768	7,224,611
Rates & Taxes	352,771	3,488,597	18,217	4,285,803
Postage & Telecommunication	4,576,956	12,811,268	4,222,165	9,206,677
Repair & Maintenance-Office	12,137,047	20,791,795	7,223,762	20,838,210
Repair & Maintenance-Fixed Assets	133,403	141,895	82,624	269,173
Repair & Maintenance-Building	7,000	1,153,682	-	1,117,337
Water Power & Fuel charges	1,173,571	14,229,384	1,662,285	19,448,505
Tendering Expenses	144,088	1,750,538	630	2,755,581
Advertisement & Publicity	134,922	9,262,329	772,603	8,236,342
Legal & Professional Charges	2,710,014	17,008,048	2,057,577	14,217,068
Advisors On Contract	4,058,495	18,774,516	1,644,130	19,128,600
Insurance	1,850,174	1,028,876	1,207,227	1,276,095
Entertainment	1,098,898	1,636,442	866,908	1,513,803
Bank Charges	9,707,532	4,623,298	5,292,169	2,417,593
Vehicle Running & Maintenance	1,285,264	2,768,148	392,533	2,899,756
Manpower Development	-	626,238	-	1,843,090
Loss on sale of Fixed Assets	4,996	2,462,771	-	150,574
Sponsorship Fee	-	419,550	-	11,500
Travelling & Other Incidental Expenses (Domestic)	46,617,194	34,921,430	41,487,537	36,959,493
Travelling & Other Incidental Expenses (Foreign)	324,550	4,580,097	-	10,693,855
CSR & Sustainability	-	1,674,900	-	3,096,066
Auditor's Remuneration	381,174	1,815,720	377,487	1,956,828
Business Promotion	664,637	11,323,808	489,095	1,480,366
Rent Office	5,851,378	5,039,892	5,563,840	4,715,047
Computer Expenses	79,953	2,765,941	128,556	4,655,475
Membership & Subscription Fee	-	675,490	1,000	754,916
Filing & Registration Fee	4,388	347,300	36,968	8,754,231
Provision for Doubtful Debts, Loans & Advances & Others	80,000,000	-	58,077,230	-
Amounts Written off	8,199,470	44,362,588	522,823	4,311,752
Foreign Exchange Variation (Gain)/ Loss	1,382,235	6,812,169	1,224,222	9,598,938
Miscellaneous Expenses	3,337,650	5,420,158	2,324,531	3,164,654
Prior Period Other Expenses	1,166,979	421,638	-	75,000
Total	190,610,768	240,810,600	139,133,887	207,056,939
Total Operating & Administrative		431,421,368		346,190,826

Travelling and other incidental expenses includes ₹ 9,973,325 towards site living hardship expenses (previous year ₹ 9,756,985) and travelling expenses of directors ₹ 2,541,656 (previous year ₹ 7,062,104).

Transferred ₹ 81,374,571 / (Previous year ₹ 182,101,146) to Engineer 3 Projects, Oman incurred by Corporate Office on its behalf under various heads.



(Amount in ₹)

Auditors' Remuneration	2016-2017	2015-2016
Statutory Audit	1,419,108	1,414,942
Tax Audit	332,981	332,831
Cost Audit	68,931	57,443
Other Expenses	375,873	528,469
Total	2,196,893	2,333,685

(Amount in ₹)

Prior Period Adjustments (Net)	2016-2017		2015-2016	
	Operating	Administrative	Operating	Administrative
Income				
Operating Income	-	-	179,098	-
Other Income	-	1,403,508	-	1,420,296
Less: Expenses				
Operating Expenses	142,140	-	-	-
Employee Remuneration and Benefits	-	-	-	-
Depreciation	-	-	-	-
Interest	-	-	-	-
Legal & Professional	-	-	-	75,000
Others	90,429,843	421,638	-	-
Total	(90,571,983)	981,870	179,098	1,345,296

Note No. 2.24

(Amount in ₹)

	Contingent Liabilities	As on 31.03.17	As on 31.03.16
1	In respect of legal and Arbitration:		
a	Claims pending for adjudication, amount thereof has been taken wherever quantified or reasonably ascertainable	2,827,218,879	4,270,330,598
b	In respect of cases where awards are published in favour of company but defendants have gone to appeal.	183,339,791	120,104,234
2	In respect of Indemnity bonds issued to Clients	2,173,739,424	-
3	In respect of Income Tax/ Sales Tax / Works Contract Tax/ Service Tax demand in respect of completed assessments under dispute/appeals	417,635,124	380,051,544

Against the above, the Company has corresponding counter claims.



Note No. 2.25

Estimated amount of contracts remaining to be executed on Development of Intangible Asset and not provided for ₹9,833,923 (previous year ₹12,511,711) on account of implementation of ERP and amount of ₹6,777,638 has been capitalised during 2016-17.

Note No. 2.26

Expenditure in Foreign Currency:

(Amount in ₹)

Sl.No.	Particulars	Year ended 31.03.17	Year ended 31.03.16
1	Operational Expenditure	5,192,037,224	4,244,355,716
2	Professional & Consultancy Charges	32,499,613	33,097,498
3	Foreign Exchange Fluctuation Loss	8,026,085	10,574,739
4	Purchase of Fixed Assets	460,327	421,523
5	Administrative & Other Expenses		
a	Travel	12,431,158	7,089,489
b	Tendering Expenses	-	87,502
c	Others	62,324,255	77,124,535
	TOTAL	5,307,778,662	4,372,751,002

Earning in foreign currency:

(Amount in ₹)

Sl.No.	Particulars	Year ended 31.03.17	Year ended 31.03.16
1	Work Receipts	5,509,722,070	4,977,754,198
2	Interest Income	15,425,660	12,037,989
3	Foreign Exchange Fluctuation Gain	-	-
4	Others	248,349	3,136,809
	TOTAL	5,525,396,078	4,992,928,996

Surplus received from Oman ₹46,605,473 equivalent USD 700,000 (previous year ₹835,839,755 equivalent USD 12,908,450) during the financial year 2016-17.

Note No. 2.27

- Company has availed non fund based credit limits of ₹6,904,020,131 (Previous year ₹6,533,565,535) from banks without any security.
- As on 31.03.2017 Company has pledged fixed deposits amounting to ₹66,944,272 (Previous year ₹64,992,279) with clients/others on account of earnest money deposit/security deposit out of which fixed deposit of ₹5,000,000 submitted to Client is under dispute, matter is sub-judice.



Note No. 2.28

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	March 31, 2017				March 31, 2016			
	Domestic	Foreign	Un-allocated	Total	Domestic	Foreign	Un-allocated	Total
Type of Business	Construction				Construction			
Revenue from Operation	10,704,819,545	5,509,722,070	-	16,214,541,615	7,976,890,190	4,977,754,199	-	12,954,644,389
Other Income	269,464,794	15,674,009	54,633,924	339,772,727	158,174,489	15,174,799	103,946,771	277,296,059
Total Income	10,974,284,340	5,525,396,078	54,633,924	16,554,314,342	8,135,064,679	4,992,928,997	103,946,771	13,231,940,447
Results								
Profit before Interest, Depreciation and Tax	285,361,484	33,876,971	(202,281,336)	116,957,119	220,294,612	372,436,873	(141,306,119)	451,425,366
Interest	41,553,882	284,876	19,586,917	61,425,675	34,776,067	122,119	23,194,791	58,092,977
Depreciation	6,190,458	830,461	7,337,034	14,357,953	5,973,935	848,648	4,592,357	11,414,940
Profit before Tax	237,617,144	32,761,635	(229,205,288)	41,173,491	179,544,610	371,466,105	(169,093,266)	381,917,449
Tax Expense	-	-	-	14,228,046				136,454,752
Profit After Tax	237,617,144	32,761,635	(229,205,288)	26,945,445	179,544,610	371,466,105	(169,093,266)	245,462,697
Other Information								
Total Assets	11,937,979,302	5,758,880,136	1,234,388,539	18,931,247,977	12,239,392,236	2,029,742,439	1,830,251,308	16,099,385,982
Property, Plant and Equipment (Carrying Amount)	33,294,826	4,691,114	61,443,647	99,429,588	34,732,538	5,342,253	59,545,821	99,620,612
Total Liabilities	10,468,841,026	5,734,764,335	422,313,140	16,625,918,500	11,047,189,406	2,232,453,706	541,358,837	13,821,001,950
Capital Expenditure Addition to Property, Plant and Equipment	4,793,897	179,321	11,699,365	16,672,583	7,400,111	4,113,209	4,600,281	16,113,600

Note No. 2.29

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

(Amount in ₹)

Sl. No.	Particulars	As on 31.03.2017	As on 31.03.2016
1	Revenue from operations	16,214,541,615	12,954,644,389
2	Contract costs incurred and profit recognised upto the reporting date	83,190,942,372	68,152,128,877
3	Advances received	6,138,406,793	3,572,239,594
4	Gross amount due from customers for contract work- presented as an asset	2,411,753,690	3,331,521,506
5	Gross amount due to customers for contract work – presented as a liability	613,586,477	1,192,716,789
6	Retention money Receivable	2,001,754,652	2,158,358,893



Note No. 2.30

Employee benefits:

The company has classified various employee benefits as under:

- a) Contribution to Provident Fund ₹ 41,814,035 (previous year ₹ 40,896,431) has been charged to Profit and Loss Account. Further, the fund has interest shortfall of ₹ 1,430,860 (previous year ₹ 1,265,535) for the year which has been compensated and charged to Profit and Loss Account.
- b) The company also provides for gratuity, long term compensated absences, post-retirement medical benefits, long service award and one time post retirement travelling allowance on actuarial basis.

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	7.36% (7.91%)	7.36% (7.91%)	7.36% (7.91%)	7.36% (7.91%)	7.36% (7.91%)
Rate of increase in compensation levels/ Premuim Inflation/ Cost of Travel	7.00%	7.00%	-	0.50%	3.00%
Expected rate of return on assets *	7.36%	-	-	-	-
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 Post Retirement: LIC (1996-98) Ult	IALM (2006-08) Ultimate
Average reimbursement per Couple	-	-	-	(Rs. 55,772)	-
	-	-	-	(Rs. 53,894)	-
Age*	Employee Turnover (%)				
Upto 30 Years	3.00%	3.00%	3.00%	3.00%	3.00%
From 31 to 44 Years	2.00%	2.00%	2.00%	2.00%	2.00%
Above 44 Years	1.00%	1.00%	1.00%	1.00%	1.00%



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	137,434,160 (139,897,910)	132,299,042 (128,071,143)	5,149,456 (6,176,600)	170,364,891 (128,794,211)	272,939 (272,939)
Current service cost	9,535,956 (10,688,978)	7,819,249 (7,720,582)	342,385 (350,973)	8,467,205 (5,836,205)	49,674 (272,939)
Interest cost	10,173,508 (11,958,632)	9,948,344 (11,006,921)	384,157 (513,266)	13,293,629 (11,482,695)	21,450 -
Actuarial (Gain)/loss	(5,210,630) ((4,223,917))	17,326,262 (16,775,130)	341,214 ((743,306))	18,029,962 (47,631,745)	580,261 -
Acquisition adjustment	- (1,634,584)	- -	- -	- -	- -
Benefits Paid	(23,594,124) ((22,531,027))	(32,669,450) ((31,274,734))	(1,729,672) ((1,148,077))	(25,504,253) ((23,379,965))	(139,719) -
Projected Benefit Obligation at end of year	128,338,870 (137,434,160)	134,723,447 (132,299,042)	4,487,540 (5,149,456)	184,651,434 (170,364,891)	784,605 -

*Same as previous year

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

(Amount in ₹)

Particulars	2016-17 (Funded)	2015-16 (Funded)
Fair value of Plan Assets as at beginning of the year	129,803,738	135,484,798
Expected Return on Plan Assets	9,334,328	11,378,326
Actual Contributions	7,630,422	4,413,112
Actuarial Gain / (Loss)	838,272	(585,055)
Benefits Paid	(23,594,124)	(22,531,027)
Acquisition Adjustment	-	1,643,584
Fair value of Plan Assets as at end of the year	124,012,636	129,803,738



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	128,338,870 <i>(137,434,160)</i>	134,723,447 <i>(132,299,042)</i>	4,487,540 <i>(5,149,456)</i>	184,651,434 <i>(170,364,891)</i>	784,605 <i>(272,939)</i>
Fair value of plan assets as at end of year	124,012,636 <i>(129,803,738)</i>	- -	- -	- -	- -
Funded Status Asset / (Liability)	(4,326,234) <i>((7,630,422))</i>	(134,723,447) <i>((132,299,042))</i>	(4,487,540) <i>((5,149,456))</i>	(184,651,434) <i>((170,364,891))</i>	(784,605) <i>(272,939)</i>
Net (Liability)/ Asset recognized in Balance Sheet	(4,326,234) <i>((7,630,422))</i>	(134,723,447) <i>((132,299,042))</i>	(4,487,540) <i>((5,149,456))</i>	(184,651,434) <i>((170,364,891))</i>	(784,605) <i>(272,939)</i>

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	9,535,956 <i>(10,688,978)</i>	7,819,249 <i>(7,720,582)</i>	342,385 <i>(350,973)</i>	84,67,205 <i>(5,836,205)</i>	49,674 <i>(272,939)</i>
Interest cost	10,173,508 <i>(11,958,632)</i>	9,948,344 <i>(11,006,921)</i>	384,157 <i>(513,266)</i>	13,293,629 <i>(11,482,695)</i>	21,450 -
Expected return on Plan Assets	(9,334,328) <i>((11,378,326))</i>	- -	- -	- -	- -
Net actuarial (Gain)/ Loss recognized in the period	(6,048,902) <i>((3,638,862))</i>	17,326,262 <i>(16,775,130)</i>	341,214 <i>((743,306))</i>	18,029,962 <i>(47,631,745)</i>	580,261 -
Expenses recognized in the P & Loss A/c	4,326,234 <i>(7,630,422)</i>	35,093,855 <i>(35,502,633)</i>	1,067,756 <i>(120,933)</i>	39,790,796 <i>(64,950,645)</i>	651,385 <i>(272,939)</i>

Figures of Previous year are indicated in italics & brackets ().



Note No. 2.31

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) Key Management Personnel with whom there were transactions during the year :

Shri S. P. S. Bakshi, Chairman-cum- Managing Director*

Shri Vinoo Gopal, Director (Projects)**

Shri K.S. Rao, Part-time Non-Official Director (upto 03.02.2017)

Shri Sushant Baliga, Part-time Non-Official Director

Smt. Anita Chaudhary, Part-time Non-Official Director

Shri Sakthimani, Director (Finance)#

* Holding additional charge of Director (Finance) w.e.f. 21.10.2016 to 20.03.2017.
(currently under suspension)

** Holding additional charge of Director (Finance) w.e.f. 01.12.2015 to 31.05.2016.

Holding additional charge of Director (Finance) w.e.f. 29.03.2017 to 13.04.2017.

Shri S.P.S. Bakshi (under suspension from EPI) Shri Vinoo Gopal and Shri Sushant Baliga have also been nominated Part Time Directors and Sh. Kapil Tara, ED (WRO), EPI has been nominated as Part Time CEO (KMP) (currently under suspension from EPI) and Smt. Sudha Venkata Vardhan, CS (EPI) has been nominated as Part Time CS in Subsidiary Company of Engineering Projects (India) Ltd.

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

Particulars	(Amount in ₹)	
	2016-17	2015-16
Salary*	5,451,159	9,320,268
Contribution to provident fund	510,407	634,289
House rent	1,062,000	1,379,430
Medical Expenses	356,988	658,448
Sitting fees	525,000	245,000

*Included PRP payment of ₹ 23.80 lacs related to 5 years paid in the year 2015-16. During the year 2016-17, no PRP was paid.

Chairman-cum-Managing Director and Whole Time Directors are allowed to use the company’s car for non-duty journey upto 1,000 km per month on payment of ₹ 2,000 per month. Gratuity and compensated absences are also payable as per the Rules of the company.



Note No. 2.32

Quantitative details for the stock of construction material as on 31st March are given below:

Particulars	As at 31 March 2017		As at 31 March 2016	
	Quantity (MT)	Value (₹)	Quantity (MT)	Value (₹)
CEMENT	162.70	962,962	173.85	982,334
STEEL	1,044.01	21,551,117	1,530.89	65,281,375
STEEL PIPES	54023 (RMT)	17,139,010	58856 (RMT)	19,275,860

Note No. 2.33

Lease rental expenses under the cancellable operating leases amounting to ₹ 10,891,270 (previous year ₹ 10,282,887) for the year has been charged to profit and loss account.

Note No. 2.34

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

Note No. 2.35

Cabinet Committee on Economic Affairs (CCEA) in its Meeting held on 17th February 2016 had approved the procedure and mechanism including constitution of Inter- Ministerial Group (IMG) for strategic disinvestment of CPSEs. Based on the instruction of CCEA, Department of Investment and Public Asset Management (DIPAM) has constituted an IMG in December 2016 for the strategic disinvestment of EPI by merging it with similarly placed CPSEs. DIPAM/ DHI have finalized/selected Transaction Advisor, Legal Advisor and Asset Valuer for strategic disinvestment of EPI. The process of inviting Expression of Interest 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)
Dividend	108,154,689	-	108,154,689	-	-
Dividend Tax	22,017,751	-	22,017,751	-	-
Project Contingencies*	231,003,752	80,000,000	-	12,399,489	298,604,263
Employee Benefits	315,716,750	80,930,026	67,673,516	-	328,973,260
Total	676,892,940	160,930,026	197,845,956	12,399,489	627,577,523
Previous Year	481,272,416	341,104,243	145,483,718	-	676,892,940

*Net of provision for amount payable

Note No. 2.37

Management has made an assessment and found that there is no impairment in the value of fixed assets.

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 form the immediately preceding three financial years on Corporate Social Responsibility (CSR). Gross amount required to be spent by the Company for CSR during the year is ₹ 1,854,000. Actual amount spent during the year is as under :

(Amount in ₹)

Particulars	In Cash	Yet to be paid in Cash	Total
Construction/acquisition of any asset	-		-
On purposes other than (i) above	1,674,900		1,674,900

Note No.2.39

During the year ended on 31.03.2017 amount of ₹ Nil (Previous Year ₹ 3,511,339) related to Performance Related Pay/ Pay Commission Arrears is pending for release to certain employees on non-availability of requisite information.



Note No. 2.40

Basic and diluted earnings per share are computed by dividing net profit after tax ₹ 26,945,445 (previous year ₹ 245,462,697) by 35,422,688 fully paid up equity share of ₹ 10 each.

	2016-17	2015-16
Basic and diluted earnings per share (₹)	0.76	6.93

Note No. 2.41

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

Note No. 2.42

Incident of fire occurred at Corporate Office of EPI on 14.09.2016. Due to alertness of EPI security staff and their swift and prompt actions fire was contained and localised on first floor of EPI office only and could not spread to other floors or neighboring offices. Loss suffered by EPI due to fire is ₹ 25 lac (i.e. WDV of damage assets) which will be further reduced by the amount of insurance claim which EPI is expecting to get from insurance company. The expenditure incurred by EPI on restoration of the damaged assets is ₹ 74 lac which has been capitalised. Impact of loss of financial records are not significant since the same has been verified through the SAP System implemented by EPI.

Note No. 2.43

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. Such dividends are to be disclosed in the notes. Accordingly, in compliance of the provisions of amended AS-4, dividend and applicable dividend distribution tax relating to FY 2016-17 are not recognized as liability in the financial statements and same will be recognized as liability, if any in the year of declaration.

However, EPI has applied to Department of Investment and Public Asset Management (DIPAM) for exemption from payment of dividend for FY 2016-17 & 2017-18.

Note No. 2.44

A subsidiary Company of EPI has been incorporated on 19th May 2016 as "EPI Urban Infra Developers Limited" (EPIUIDL) with paid up capital of ₹ 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 Subsidiary Company is non-operational and Board of Subsidiary Company has approved the closure of the Company subsequent to the close of financial year.



Note No. 2.45

During the year ended 31st March 2017, CBI has registered a case and filed an FIR against some employees of EPI. The case is in respect of alleged illegal gratification taken by the accused employees of EPI to award a tender in favour of a particular party. EPI is not named as party in the FIR and no financial impact on its financial statements is envisaged.

Note No. 2.46

Details of Specified Bank Notes (SBN) held and transacted during the period from 08th November 2016 to 30th December 2016 is as.

(Amount in ₹)

Particulars	SBNs (in ₹)	Other Denomination Notes (in ₹)	Total
Closing cash in hand as on 08.11.2016	62,000	14,474	76,474
(+) Permitted Receipts (withdrawal)	-	230,000	230,000
(-) Permitted Payments	-	196,547	196,547
(-)Amount deposited in Banks	62,000	6,867	68,867
Closing cash in hand as on 30.12.2016	Nil	41,060	41,060

For and on behalf of Board of Directors

Sd/-
(Sudha V. Varadhan)
Company Secretary

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

Sd/-
(Lekh Raj)
Director (Finance)

Sd/-
(N. Sivanand)
Chairman-cum-Managing Director
(Additional Charge)

GSA & Associates

Chartered Accountants

Firm Registration No.-000257N

Sd/-

Sunil Aggarwal

Membership No. 083899

Place: New Delhi

Date : 04.09.2017



INDEPENDENT AUDITOR'S REPORT

To The Members of

Engineering Projects (India) Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Engineering Projects (India) Limited (**hereinafter referred to as "the Holding Company"**), EPI Urban Infra Developers Ltd., its subsidiary (the holding and its subsidiary referred to as "the Group") which comprise the consolidated Balance Sheet as at 31st March, 2017, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement, summary of the significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Companies 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the order under section 143 (11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control's relevant to the Holding Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated Profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters

- In Northern Region of the holding company, trade receivable includes outstanding dues from Government departments, PSU's and other clients amounting to ₹ 2227.51 Lakhs (net of provision) (Refer Note no 2.11) in respect of closed project, which are outstanding for more than three years, this includes an amount of ₹ 1835.48 lakhs (net of provision) under litigation/arbitration/corporate insolvency. In view of the Management, the same has been considered as good and recoverable.
- Balances of debtors/ creditors and other parties are subject to confirmation/ reconciliation. As explained to us, the holding company is mainly dealing with the government parties. In our opinion, process of getting confirmation needs to be strengthened.
- Attention is invited to note no. 2.20, the holding company has created a provision of ₹ 9.58 Crore on account of future expected loss in accordance with Accounting Standard 7 issued by the Institute of Chartered Accountants of India.
- Attention is invited to the note no. 2.44 w.r.t. the subsidiary company is non operational and Board of Subsidiary company has approved the closure of the company subsequent to the close of the financial year.

Our opinion is not qualified in respect of the above matters



Other Matters

- (a) We did not audit the financial statements/ financial information of subsidiary (EPI Urban Infra Developers Limited), whose financial statements/ financial information reflects total assets of ₹ 12.35 lakhs, total liabilities of ₹ 3.40 lakhs as at 31st March 2017, total revenues of ₹ NIL and net cash flows of ₹ 9.99 lakhs for the year ended on that date, as considered in the consolidated financial statements. This financial statements/ financial information have been audited by other auditor whose report has 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 disclosure included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the managements

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act based on our audit and on the consideration of report of other auditors on separate financial statement, as noted in the 'other matter paragraph' we report to the extent applicable 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 Group so far as it appears from our examination of those books;
- (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 account;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) Being a 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 Company 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 Company has disclosed the impact of pending litigations as at March 31, 2017 on its financial position in its financial statements- Refer Note no. 2.24 to the financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standard, 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.
- iv. The company as detailed in Note no. 2.46 to the financial statement, has made requisite disclosure in the financial statement as to holding as well as dealing in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of accounts maintained by the Company.

For GSA & Associates

Chartered Accountants,
FRN: 000257N

Sd/-

Sunil Aggarwal

Partner

Membership No. 083899

Place: New Delhi

Dated: 4th Sept. 2017



Annexure – A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Engineering Projects (India) Limited ("the Holding Company")** and its subsidiary company namely **EPI Urban Infra Developers Ltd.** (the holding and its subsidiary referred to as "the Group") as of March 31, 2017 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date. In this report, we have consolidated the feedback received from regional auditors.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company 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 Group 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 Group'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 Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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



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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Group 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, 2017, based on "the internal control over financial reporting criteria established by the Group 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 needs certain improvement
- b) Coverage of the tendering process in internal audit needs improvement.
- c) As reported by the auditor of Northern Region, access and editing rights for books of accounts, mapping and usage of reporting & analytics capability in SAP system, which is introduced during the year need improvements although they do not form any internal control deficiency.

For GSA & Associates
Chartered Accountants,
FRN: 000257N

Sd/-
Sunil Aggarwal
Partner
Membership No. 083899

Place: New Delhi
Dated: 04.09.2017



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

(Amount in ₹)

	Particulars	Note No.	As at 31st March, 2017		As at 31st March, 2016	
I.	EQUITY AND LIABILITIES					
1	Shareholders' Funds :					
	a) Share Capital	2.1	354,226,880		354,226,880	
	b) Reserves and Surplus	2.2	1,951,558,548		1,924,157,152	
	c) Non Controlling Interest		438,071	2,306,223,499		2,278,384,032
2	Non Current Liabilities					
	a) Long - Term Borrowings	-	-		-	
	b) Other Long - Term Liabilities	2.3	4,682,214,896		3,358,906,892	
	c) Long - Term Provisions	2.4	294,824,002	4,977,038,898	273,151,216	3,632,058,108
3	Current Liabilities					
	a) Short Term Borrowings	-	-		-	
	b) Trade Payables	2.5				
	i) Due to MSME		-		-	
	ii) Due to Others		4,660,119,938		3,625,269,331	
	c) Other Current Liabilities	2.6	6,859,017,240		6,390,936,539	
	d) Short Term Provisions	2.7	130,013,234	11,649,150,412	172,737,972	10,188,943,842
	Total			18,932,412,809		16,099,385,982
II.	ASSETS					
1	Non current assets					
	a) Property, Plant & Equipment	2.8				
	(i) Tangible Assets		94,219,531		93,186,471	
	(ii) Intangible Assets		5,210,057		935,098	
	(iii) Capital Work-in-Progress		-		-	
	(iv) Intangible Assets Under Development		-		5,499,043	
			99,429,588		99,620,612	
	b) Non Current Investments	-	-		-	
	c) Deferred Tax Assets (Net)	2.9	169,061,296		109,344,125	
	d) Long Term Loans and Advances	2.10	4,716,152,663		2,716,088,404	
	e) Other Non Current Assets	2.11	805,666,074	5,790,309,621	681,056,063	3,606,109,204
2	Current assets					
	a) Current Investments	2.12	-		-	
	b) Inventories	2.13	39,653,089		85,539,569	
	c) Trade Receivables	2.14	3,096,720,602		1,706,678,843	
	d) Cash and Bank Balances	2.15	2,973,577,960		3,066,038,322	
	e) Short Term Loans and Advances	2.16	3,400,139,110		2,935,726,510	
	f) Other Current Assets	2.17	3,632,012,427	13,142,103,188	4,699,293,534	12,493,276,778
	Total			18,932,412,809		16,099,385,982
	Significant Accounting Policies	1				
	Notes to accounts	2				

The accounting policies and notes are integral part of the financial statements

For and on behalf of the Board of Directors

Sd/-
(Sudha V. Varadhan)
Company Secretary

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

Sd/-
(Lekh Raj)
Director (Finance)

Sd/-
(N. Sivanand)
Chairman-cum-Managing Director
(Additional Charge)

As per our report on even date attached
For GSA & Associates
Chartered Accountants
FRN-000257N

Sd/-
Sunil Agarwal
Membership No. 083899

Place : New Delhi
Date : 04.09.2017



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

Particulars		Note No.	Year ended 31st March, 2017	Year ended 31st March, 2016
I.	Revenue From Operations	2.18	16,214,541,615	12,954,644,389
II.	Other Income	2.19	339,772,727	277,296,059
III.	Total Income (I+II)		16,554,314,342	13,231,940,448
IV.	Expenses:			
	Operating Expenses	2.20	15,227,997,840	11,649,262,546
	Employee Remuneration and Benefits	2.21	777,938,015	785,061,710
	Finance Costs	2.22	61,425,675	58,092,977
	Depreciation & Amortisation Expenses	2.8	14,357,953	11,414,940
	Other Expenses	2.23	430,911,368	346,190,826
	Total Expenses		16,512,630,851	12,850,022,999
V.	Profit before exceptional and extraordinary items and tax (III-IV)		41,683,491	381,917,449
VI.	Exceptional Items		-	-
VII.	Profit before Extraordinary Items and Tax (V-VI)		41,683,491	381,917,449
VIII.	Extraordinary Items		-	-
IX.	Profit/(Loss) Before Tax (VII-VIII)		41,683,491	381,917,449
X	Tax Expense			
	Current Tax		62,906,269	169,884,253
	Deferred Tax		(59,717,171)	(33,202,332)
	Tax for Previous year		11,038,948	(227,169)
XI.	Profit/ (Loss) for the period from continuing operations (IX-X)		27,455,445	245,462,697
XII.	Profit/ (Loss) from discontinuing operations		(54,048)	-
XIII.	Tax Expense of discontinuing operations		-	-
XIV.	Profit/ (Loss) for the period from discontinuing operations (XII-XIII)		(54,048)	-
XV.	Profit For the Year (IX-X)		27,401,396	245,462,697
XVI.	Earnings Per Share (Basic & Diluted)	2.40	0.77	6.93
	Significant Accounting Policies	1		
	Notes to Accounts	2		

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

For and on behalf of the Board of Directors

Sd/-
(Sudha V. Varadhan)
Company Secretary

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

Sd/-
(Lekh Raj)
Director (Finance)

Sd/-
(N. Sivanand)
Chairman-cum-Managing Director
(Additional Charge)

As per our report on even date attached

For GSA & Associates
Chartered Accountants
FRN-000257N

Sd/-
Sunil Agarwal
Membership No. 083899

Place : New Delhi
Date : 04.09.2017



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

Particulars	2016-2017	2015-2016
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	41,683,491	381,917,449
ADJUSTMENTS FOR:		
- DEPRECIATION AND AMORTIZATION	14,357,953	11,414,940
- LOSS/(PROFIT) ON SALE OF ASSETS (NET)	2,467,767	126,147
- INTEREST ON FDs	(65,410,713)	(71,429,500)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY		
- CASH & CASH EQUIVALENTS		
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(6,901,502)	322,029,036
- DECREASE/(INCREASE) IN INVENTORIES	45,886,480	49,989,524
- DECREASE/(INCREASE) IN UNBILLED REVENUE	919,767,817	632,118,407
- DECREASE/(INCREASE) IN SUNDRY DEBTORS	(1,514,651,769)	1,095,520,142
- DECREASE/(INCREASE) IN FDs UNDER LIEN	(1,951,993)	(1,813,478)
- DECREASE/(INCREASE) IN LOANS & ADVANCES	(1,788,873,698)	901,631,258
- INCREASE/(DECREASE) IN CURRENT LIABILITIES & PROVISIONS	2,357,167,512	(1,889,676,891)
CASH GENERATED FROM OPERATIONS	17,344,349	787,768,962
- INCOME TAX PAID	(65,002,344)	(27,610,735)
NET CASH FROM OPERATING ACTIVITIES	(54,559,497)	1,082,187,263
CASH FLOWS FROM INVESTING ACTIVITIES		
- PURCHASE/CONSTRUCTION OF FIXED ASSETS	(16,672,583)	(16,113,601)
- PROCEEDS FROM SALE OF ASSETS	37,884	200,882
- INTEREST INCOME	106,954,280	43,514,246
NET CASH FROM INVESTING ACTIVITIES	90,319,581	27,601,527
CASH FLOW FROM FINANCING ACTIVITIES		
- DIVIDEND PAID	(108,154,689)	(70,845,376)
- DIVIDEND TAX PAID	(22,017,751)	(14,422,454)
NET CASH USED IN FINANCING ACTIVITIES	(130,172,440)	(85,267,830)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY		
- CASH & CASH EQUIVALENTS		
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(94,412,356)	1,024,520,960
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3,001,046,043	1,976,525,083
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2,906,633,688	3,001,046,043
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
CASH IN HAND (REFER NOTE NO 2.15)	31,967	92,808
CHEQUES IN HAND (REFER NOTE NO 2.15)	-	20,000
REMITTANCE IN TRANSIT	-	-
BALANCE WITH BANK'S IN CURRENT ACCOUNTS (REFER NOTE NO 2.15)	510,014,199	201,598,086
BALANCE WITH OTHER BANK'S FIXED DEPOSITS OTHER (REFER NOTE NO 2.15)	2,396,587,522	2,799,335,149
CASH AND CASH EQUIVALENT	2,906,633,688	3,001,046,043
ADD: BALANCE IN DEPOSIT ACCOUNTS (PLEDGED)	66,944,272	64,992,279
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2,973,577,960	3,066,038,322

NOTE: CASH AND CASH EQUIVALENTS CONSIST OF CASH AND BANK BALANCES INCLUDING FDs AND LIQUID INVESTMENT EXCLUDING FDs UNDER LIEN/MARGIN.

Sd/-
(Sudha V. Varadhan)
Company Secretary

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

Sd/-
(Lekh Raj)
Director (Finance)

Sd/-
(N. Sivanand)
Chairman-cum-Managing Director
(Additional Charge)

As per our report on even date attached

For GSA & Associates
Chartered Accountants
FRN-000257N

Sd/-
Sunil Agarwal
Membership No. 083899

Place : New Delhi
Date : 04.09.2017



SIGNIFICANT ACCOUNTING POLICIES (2016-17)

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 except the following:

Refer note no.	Nature of Change	Financial Impact over the current financial statements as compared to previous financial statements
2.8, 2.28	Revised Accounting Standard 10 Property, Plant and Equipment.	Financial Impact is Nil

- 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.
- 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	Building (Other than factory Building) RCC frame structure (NESD)	1.58%
2	Others Temporary Construction (Including temporary structure etc.) (NESD)	31.67%
3	Plant and Machinery used in civil construction	
3(a)(i)	Concreting, Crushing, Piling equipment and Road Making Machine	7.92%
3(a)(ii)(a)	Cranes with capacity of more than 100 tons	4.75%
3(a)(ii)(b)	Cranes with capacity of less than 100 tons	6.33%
3(a)(iii)	Earth moving equipments	10.56%
3(a)(iv)	Others including material handling/ Pipeline/welding equipments(NESD)	7.92%
4	General Furniture and Fixture (NESD)	9.50%
5	Office Equipments (NESD)	19%
6	Computers and data processing units (NESD)	
6(a)	Server and Network	15.83%
6(b)	End user devices such as Desktop, Laptop, Software including user licence fee, other intangible assets etc.	31.67%
7	Motor Vehicles (NESD)	
7(a)	Motorcycles, Scooters & Other Mopeds	9.50%
7(b)	Motor Buses, Motor Lorries and Motor Cars other than used in business of running them on hire	11.88%

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

- c) Property, Plant and Equipment costing ₹ 5,000 or less and mobile phones are fully depreciated in year of purchase.
- d) Leasehold building are amortised over the period of lease or over the specified period calculated as per the rates adopted by the Company which ever is shorter. Leasehold land under perpetual lease is not being amortised and carried at cost.

8. Employee benefits

- (i) Short Term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss statement of the year in which the related service is rendered.
- (ii) Post employment and the other long term employee benefits are recognised as an expense in the Profit and Loss statement for the year in which the employee has rendered services.



The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. The actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss statement.

9. Provisions, contingent liabilities and contingent assets

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

10. Provision for Doubtful Debts/ Loans and Advances

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

11. Segment Reporting

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

12. Impairment of assets

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



13. Taxation

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

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

Minimum Alternate Tax ('MAT') 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 ₹ 50,000/- in each case are treated as expenditure/income of the current year.



Note No. 2.1

(Amount in ₹)

Share Capital	2016-17	2015-16
Authorised 90,94,04,600 Equity Shares of ₹ 10/- Each Fully Paid Up (90,94,04,600 Equity Shares of ₹ 10/- Each Fully Paid Up)	9,094,046,000	9,094,046,000
Issued, Subscribed and Fully Paid up 3,54,22,688 Equity Shares of ₹ 10/- Each Fully Paid Up (3,54,22,688 Equity Shares of ₹ 10/- Each Fully Paid Up)	354,226,880	354,226,880
Total	354,226,880	354,226,880

Note 2.1 A

Reconciliation of No. of Shares Outstanding	2016-17	2015-16
	Number	Number
At the beginning of the year	35,422,688	35,422,688
At the end of the year	35,422,688	35,422,688

Note 2.1 B

Number of Shares Held by Each Shareholder holding More Than 5%	2016-17		2015-16	
	No. of Shares	% age	No. of Shares	% age
The President of India	35,415,677	99.98	35,415,677	99.98



Note No. 2.2

(Amount in ₹)

Reserve & Surplus	2016-17	2015-16
A) Capital Reserve		
Balance as at the beginning and end of the year	210,020	210,020
B) General Reserve		
Balance as at the beginning of the year	211,500,000	191,500,000
Add: Addition during the year	-	20,000,000
Balance as at the end of the year	211,500,000	211,500,000
C) Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	1,712,447,132	1,617,156,875
Add: Profit/(Loss) for the year	27,401,396	245,462,697
	1,739,848,528	1,862,619,572
Less: Proposed Dividend*	-	108,154,689
Less: Dividend Distribution Tax*	-	22,017,751
Less: Transfer to General Reserve*	-	20,000,000
Balance as at the end of the year	1,739,848,528	1,712,447,132
Total	1,951,558,548	1,924,157,152

* Refer Note No. 2.43



Note No. 2.3

(Amount in ₹)

Other Long Term Liabilities	2016-17	2015-16
Trade Payables		
- Micro, Small & Medium Enterprises #	-	-
- Others	1,044,944,177	849,086,216
Other Liabilities		
- Security Deposits, Retention & EMD Payable	1,922,518,621	2,460,836,163
- Less: Provision for Doubtful Payment	(21,731,000)	
-Advance Received from Client	1,732,591,963	44,693,128
- Others	3,891,135	4,291,385
Total	4,682,214,896	3,358,906,892

Note No. 2.4

(Amount in ₹)

Long Term Provisions	2016-17	2015-16
Employee Benefits:		
-Leave Encashment	115,489,137	111,420,116
-Long Service Award	4,002,326	4,221,363
-Post Retirement Medical Benefits	174,678,634	157,289,999
-Post Retirement Travelling Allowance	653,905	219,738
Total	294,824,002	273,151,216

Note No. 2.5

(Amount in ₹)

Trade Payables	2016-17	2015-16
Trade Payables		
- Micro, Small & Medium Enterprises #	-	-
- Others	4,660,119,938	3,625,269,331
Total	4,660,119,938	3,625,269,331

Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been checked and no entry is found in current year.



Note No. 2.6

(Amount in ₹)

Other Current Liabilities	2016-17	2015-16
Advance From Clients	4,405,814,829	3,583,478,406
Security, Retention & Earnest Money Payable	1,455,196,259	582,846,023
Outstanding Liabilities	148,866,817	21,522,509
Amount Payable to Others	15,271,883	744,198,436
Advance Revenue for Works	613,586,477	1,192,216,836
Payable to Employees	52,063,885	35,106,346
Statutory Liabilities	168,217,090	231,567,983
Total	6,859,017,240	6,390,936,539

Note No. 2.7

(Amount in ₹)

Short Term Provisions	2016-17	2015-16
Proposed Dividend	-	108,154,689
Dividend Tax	-	22,017,751
Provision for Expected Loss (As per AS-7)	95,863,976	-
Employee Benefits	-	-
-Leave Encashment	19,234,310	20,878,924
-Gratuity	4,326,234	7,630,422
-Long Service Award	485,214	928,093
-Post Retirement Medical Benefits	9,972,800	13,074,892
-Post Retirement Travelling Allowance	130,700	53,201
Total	130,013,234	172,737,972

*Refer Note No. 2.43



Note No. 2.8

Property, Plant & Equipment Statement as on 31.03.2017

(Amount in ₹)

DESCRIPTION	GROSS CARRYING AMOUNT					ACCUMULATED DEPRECIATION					CARRYING AMOUNT	
	OPENING BALANCE	ADDITIONS	ADJUSTMENTS	SALE/ WRITTEN OFF	TOTAL	OPENING BALANCE	FOR THE YEAR	ADJUSTMENTS	WRITTEN BACK	TOTAL	As at 31st March, 2017	As at 31st March, 2016
(a) TANGIBLE ASSETS												
LAND FREEHOLD	-	-	-	-	-	-	-	-	-	-	-	-
LAND LEASEHOLD	1,615,856	-	-	-	1,615,856	283,104	16,366	-	-	299,470	1,316,386	1,332,752
BUILDING FREEHOLD	4,687,325	-	-	-	4,687,325	2,454,088	122,710	-	-	2,576,808	2,110,517	2,233,227
BUILDING LEASEHOLD*	64,181,961	5,037,233	-	2,506,215	66,712,979	22,967,093	1,207,974	-	250,328	23,924,739	42,768,240	41,214,868
COMPUTER AND EQUIPMENTS	44,796,592	3,496,679	-	1,727,344	46,565,927	37,089,583	3,378,835	-	1,551,531	38,916,887	7,649,040	7,707,008
OFFICE AND OTHER EQUIPMENTS	20,792,791	4,033,391	-	879,984	23,946,198	15,101,656	2,593,862	-	831,484	16,864,034	7,082,164	5,691,135
CONSTRUCTION EQUIPMENTS	63,755,936	381,285	-	-	64,137,221	42,725,462	1,770,345	-	-	44,495,807	19,641,414	21,030,475
FURNITURES & FIXTURES	22,909,427	2,406,963	-	294,909	25,021,481	13,090,280	2,071,984	-	271,679	14,890,585	10,130,896	9,919,147
VEHICLES	7,425,944	-	-	3,960	7,421,984	3,268,085	656,985	-	3,960	3,921,110	3,500,874	4,157,859
SUB TOTAL	230,165,832	15,355,551	-	5,412,412	240,108,971	136,979,361	11,819,061	-	2,908,982	145,889,440	94,219,531	93,186,471
CAPITAL WORK IN PROGRESS	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	230,165,832	15,355,551	-	5,412,412	240,108,971	136,979,361	11,819,061	-	2,908,982	145,889,440	94,219,531	93,186,471
(b) INTANGIBLE ASSETS												
SOFTWARES (ACQUIRED)	12,531,167	1,317,032	-	44,447	13,803,752	6,097,026	2,538,892	-	42,223	8,593,695	5,210,057	6,434,141
SUB TOTAL	12,531,167	1,317,032	-	44,447	13,803,752	6,097,026	2,538,892	-	42,223	8,593,695	5,210,057	6,434,141
GRAND TOTAL	242,696,999	16,672,583	-	5,456,859	253,912,723	143,076,387	14,357,953	-	2,951,205	154,483,135	99,429,588	99,620,612
PREVIOUS YEAR	231,979,085	16,113,601	-	5,395,687	242,696,998	136,730,105	11,414,939	-	5,068,658	143,076,388	99,620,612	-

Note: Depreciation for the year includes ₹ 0 as depreciation related to previous years (Previous year ₹ 506,782)

* Conveyance deeds in respect of building at Scope Complex, New Delhi included in fixed assets at a cost of ₹ 37,441,925 (previous year ₹ 37,441,925) is pending for execution in the name of Company.



Note No. 2.9

(Amount in ₹)

Deferred Tax Assets (Net)	2016-2017	2015-2016
Depreciation on Fixed Assets	(9,588,486)	(11,732,473)
Provision for Doubtful Debts	103,340,963	79,945,778
Provision for Employee Benefits (AS-15)	42,099,368	41,021,332
Other Disallowances	33,209,451	109,488
Total	169,061,296	109,344,125

Note No. 2.10

(Amount in ₹)

Long term Loans and Advances	2016-2017	2015-2016
(Unsecured, Considered Good Unless Stated Otherwise)		
Advance for Works:	-	
-Mobilization Advance Secured Against BG	1,243,173,537	29,977,466
-Secured against Material	4,444,549	-
-Other Advances	337,247,634	234,899,258
Less: Provision for Doubtful Advances	(71,365,180)	(71,469,345)
	1,513,500,540	193,407,379
Staff Loans & Advances*	3,137,853	3,449,016
Security, Retention & Earnest Money Receivable	1,340,131,719	1,827,495,261
Less: Provision for Doubtful Recovery	(110,262,569)	(31,526,978)
	1,229,869,150	1,795,968,283
Income Tax Recoverable (Net of Provision of Income Tax)	195,707,984	90,179,374
Advance FBT	600,139	600,139
Sales Tax Recoverable	94,178,885	99,484,012
Advance Sales Tax	94,279,767	19,882,186
Advance Service Tax	898,105	900,000
Amount Recoverable - Others	1,589,049,665	567,374,755
Less: Provision for doubtful recovery	(5,069,425)	(55,156,740)
	1,583,980,240	512,218,015
Total	4,716,152,663	2,716,088,404

*Staff Loans & Advances includes advances to Officers amounting to ₹ 1,103,084 (Previous year ₹ 960,443)



Note No. 2.11

(Amount in ₹)

Other Non Current Assets	2016-2017		2015-2016	
(Unsecured Considered Good) Trade Receivables Outstanding For:				
More Than Six Months	939,304,163		753,906,752	
Less: Provision for Doubtful Debts	(133,638,089)	805,666,074	(72,850,689)	681,056,063
Total		805,666,074		681,056,063

Note No. 2.12

(Amount in ₹)

Current Investments	2016-2017	2015-2016
Investment in Shares of EPI Urban Infra Developers Ltd.	-	-
Less: Provision against Investement in EPI Urban Infra Developers Ltd.	-	-
Total	-	-

Refer Note No. 2.44

Note No. 2.13

(Amount in ₹)

Inventories	2016-2017	2015-2016
Materials :(Lower of Cost or NRV)		
-Steel	21,551,117	65,281,375
-Cement	962,962	982,334
-Pipes & Others	17,139,010	19,275,860
Total	39,653,089	85,539,569

Note No. 2.14

(Amount in ₹)

Trade Receivables	2016-2017	2015-2016
(Unsecured Considered Good) Trade Receivables Outstanding For:		
- Less Than Six Months	2,902,096,065	1,206,720,149
- More Than Six Months	194,624,537	499,958,694
Total	3,096,720,602	1,706,678,843



Note No. 2.15

(Amount in ₹)

Cash and Bank Balances	2016-2017		2015-2016	
Cash & Cash Equivalents:				
Cash In Hand		31,967		92,808
Cheques In Hand		-		20,000
Balances With Banks				
-In Current Accounts*	510,014,199		201,598,086	
-Fixed Deposit (With Maturity Upto 3 Months)**	2,026,419,948	2,536,434,147	2,230,288,815	2,431,886,901
Other Bank Balances:				
Fixed Deposits ** (Pledged Against Margin Money / Earnest Money)		66,944,272		64,992,279
Fixed Deposit ** (With Maturity More Than 3 Months but less than 12 months)		370,167,574		569,046,334
Total		2,973,577,960		3,066,038,322

*Out of the above Balance in Current Account ₹ 343,740,648 (previous year ₹ 35,156,148) is held as deposit on behalf of client.

**Out of the above Balance in Fixed Deposits ₹ 1,942,394,564 (previous year ₹ 1,912,004,574) is held as deposit on behalf of client.

Note No. 2.16

(Amount in ₹)

Short Term Loan & Advances	2016-2017		2015-2016	
(Unsecured, Considered Good Unless Stated Otherwise)				
Advance for Works:		-		-
-Mobilization Advance Secured Against BG	1,904,095,624		1,002,209,562	
-Secured Against Material	139,750,804		164,561,211	
-Other Advances	69,976,173	2,113,822,601	1,170,467,463	2,337,238,236
Sales Tax Recoverable		111,724,861		88,454,488
Service Tax Recoverable		55,223,643		82,592,194
Staff Loans & advances		3,269,174		3,063,129
Security, Retention & Earnest Money Receivable		1,116,098,831		424,378,463
Total		3,400,139,110		2,935,726,510



Note No. 2.17

(Amount in ₹)

Other Current Assets	2016-2017	2015-2016
Interest Accrued but not due on Bank Deposits	9,418,768	50,962,335
Prepaid Expenses	73,213,816	41,189,545
Recoverable From Others	1,137,391,505	1,275,620,148
Unbilled Revenue	2,411,753,690	3,331,521,506
Preliminary Exp.	234,648	
Total	3,632,012,427	4,699,293,534

Note No. 2.18

(Amount in ₹)

Revenue From Operations	2016-2017	2015-2016
Value of Work Done	16,258,966,185	12,930,681,145
Consultancy Fees	-	-
Other Operating Income	44,838,294	23,963,244
Other Operating Income (Prior Period)	(89,262,864)	-
Total	16,214,541,615	12,954,644,389

Note No. 2.19

(Amount in ₹)

Other Income	2016-2017	2015-2016
Interest Income earned on:		
Deposits with Bank	65,410,714	71,429,499
Staff Advances	282,688	275,539
Other (Sub Contractor /Clients /I. T. Refund)	186,284,738	165,414,698
	251,978,140	237,119,736
Other non-Operating Income		
Unspent Liabilities/ Balances Written Back	66,305,185	20,933,007
Miscellaneous Income	20,085,894	17,823,020
Prior Period Other Income	1,403,508	1,420,296
	87,794,587	40,176,323
Total	339,772,727	277,296,059



Note No. 2.20

(Amount in ₹)

Operating Expenses	2016-2017	2015-2016
Civil, Mechanical, Electrical Works	14,883,247,368	11,234,108,463
Design & Consultancy Charges	140,444,790	137,954,909
Other Direct Expenditure	78,446,674	268,598,473
Future Loss as per AS-07	95,863,976	-
Claims Paid	27,173,521	3,344,277
Royalty	2,679,371	5,435,522
Prior Period Operating Expenses	142,140	(179,098)
Total	15,227,997,840	11,649,262,546

Note No. 2.21

(Amount in ₹)

Employee Remuneration and Benefits	2016-2017		2015-2016	
	Operating	Administrative	Operating	Administrative
Salary & Allowances*	280,272,256	324,646,187	279,450,561	313,096,461
Contribution to Provident & Other Funds	18,778,550	24,466,346	18,942,511	24,401,565
Medical Expenses	5,523,887	56,268,969	4,930,250	77,938,294
Rajbhasha Expenses	-	875,452	-	1,128,061
Leave Encashment	-	35,093,855	-	35,502,633
Gratuity	-	4,326,234	-	7,630,422
Staff Welfare	14,682,946	13,003,333	12,504,011	9,536,941
Total	319,257,639	458,680,376	315,827,333	469,234,377
Total Operating & Administrative		777,938,015		785,061,710

* Transferred ₹ 66,702,005 / (Previous year ₹ 49,814,884/-) to Engineer 3 Projects, Oman incurred by Corporate office on its behalf)

Note No. 2.22

(Amount in ₹)

Finance Cost	2016-2017	2015-2016
Interest Paid to:		
- Bank	19,871,793	23,316,483
- Others	41,553,882	34,776,494
Total	61,425,675	58,092,977



Note No. 2.23

(Amount in ₹)

Other Expenses	2016-2017		2015-2016	
	Operating	Administrative	Operating	Administrative
Printing & Stationery	3,226,029	7,672,094	3,457,768	7,224,611
Rates & Taxes	352,771	3,488,597	18,217	4,285,803
Postage & Telecommunication	4,576,956	12,811,268	4,222,165	9,206,677
Repair & Maintenance-Office	12,137,047	20,791,795	7,223,762	20,838,210
Repair & Maintenance-Fixed Assets	133,403	141,895	82,624	269,173
Repair & Maintenance-Building	7,000	1,153,682	-	1,117,337
Water Power & Fuel charges	1,173,571	14,229,384	1,662,285	19,448,505
Tendering Expenses	144,088	1,750,538	630	2,755,581
Advertisement & Publicity	134,922	9,262,329	772,603	8,236,342
Legal & Professional Charges	2,710,014	17,008,048	2,057,577	14,217,068
Advisors On Contract	4,058,495	18,774,516	1,644,130	19,128,600
Insurance	1,850,174	1,028,876	1,207,227	1,276,095
Entertainment	1,098,898	1,636,442	866,908	1,513,803
Bank Charges	9,707,532	4,623,298	5,292,169	2,417,593
Vehicle Running & Maintenance	1,285,264	2,768,148	392,533	2,899,756
Manpower Development	-	626,238	-	1,843,090
Loss on sale of Fixed Assets	4,996	2,462,771	-	150,574
Sponsorship Fee	-	419,550	-	11,500
Travelling & Other Incidental Expenses (Domestic)	46,617,194	34,921,430	41,487,537	36,959,493
Travelling & Other Incidental Expenses (Foreign)	324,550	4,580,097	-	10,693,855
CSR & Sustainability	-	1,674,900	-	3,096,066
Research & Development	-	-	-	-
Auditor's Remuneration	381,174	1,815,720	377,487	1,956,828
Business Promotion	664,637	11,323,808	489,095	1,480,366
Rent Office	5,851,378	5,039,892	5,563,840	4,715,047
Computer Expenses	79,953	2,765,941	128,556	4,655,475
Membership & Subscription Fee	-	675,490	1,000	754,916
Filing & Registration Fee	4,388	347,300	36,968	8,754,231
Provision for Doubtful Debts, Loans & Advances & Others	80,000,000	-	58,077,230	-
Amounts Written off	8,199,470	43,852,588	522,823	4,311,752
Assets Written off	-	-	-	-
Foreign Exchange Variation (Gain)/ Loss	1,382,235	6,812,169	1,224,222	9,598,938
Miscellaneous Expenses	3,337,650	5,420,158	2,324,531	3,164,654
Prior Period Other Expenses	1,166,979	421,638	-	75,000
Global overheads - Establishment & General Expenses (for Oman)	-	-	-	0
Total	190,610,768	240,300,600	139,133,887	207,056,939
Total Operating & Administrative		430,911,368		346,190,826

Travelling and other incidental expenses includes ₹ 9,973,325 towards site living hardship expenses (previous year ₹ 9,756,985) and travelling expenses of directors ₹ 2,541,656 (previous year ₹ 7,062,104).

Transferred ₹ 81,374,571 / (Previous year ₹ 182,101,146) to Engineer 3 Projects, Oman incurred by Corporate Office on its behalf under various heads.



(Amount in ₹)

Auditors' Remuneration	2016-2017	2015-2016
Statutory Audit	1,419,108	1,414,942
Tax Audit	332,981	332,831
Cost Audit	68,931	57,443
Other Expenses	375,873	528,469
Total	2,196,893	2,333,685

(Amount in ₹)

Prior Period Adjustments (Net)	2016-2017		2015-2016	
	Operating	Administrative	Operating	Administrative
Income				
Operating Income	-	-	179,098	-
Other Income	-	1,403,508	-	1,420,296
Less: Expenses				
Operating Expenses	142,140	-	-	-
Employee Remuneration and Benefits	-	-	-	-
Depreciation	-	-	-	-
Interest	-	-	-	-
Legal & Professional	-	-	-	75,000
Others	90,429,843	421,638	-	-
Total	(90,571,983)	981,870	179,098	1,345,296

Note No. 2.24

(Amount in ₹)

	Contingent Liabilities	As on 31.03.17	As on 31.03.16
1	In respect of legal and Arbitration:		
a	Claims pending for adjudication, amount thereof has been taken wherever quantified or reasonably ascertainable	2,827,218,879	4,270,330,598
b	In respect of cases where awards are published in favour of company but defendants have gone to appeal.	183,339,791	120,104,234
2	In respect of Indemnity bonds issued to Clients	2,173,739,424	-
3	In respect of Income Tax/ Sales Tax / Works Contract Tax/ Service Tax demand in respect of completed assessments under dispute/appeals	417,635,124	380,051,544

Against the above, the Company has corresponding counter claims.



Note No. 2.25

Estimated amount of contracts remaining to be executed on Development of Intangible Asset and not provided for ₹ 9,833,923 (previous year ₹ 12,511,711) on account of implementation of ERP and amount of ₹ 6,777,638.00 has been capitalised during 2016-17.

Note No. 2.26

Expenditure in Foreign Currency:

(Amount in ₹)

Sl.No.	Particulars	Year ended 31.03.17	Year ended 31.03.16
1	Operational Expenditure	5,192,037,224	4,244,355,716
2	Professional & Consultancy Charges	32,499,613	33,097,498
3	Foreign Exchange Fluctuation Loss	8,026,085	10,574,739
4	Purchase of Fixed Assets	460,327	421,523
5	Administrative & Other Expenses		
a	Travel	12,431,158	7,089,489
b	Tendering Expenses	-	87,502
c	Others	62,324,255	77,124,535
	TOTAL	5,307,778,662	4,372,751,002

Earning in foreign currency:

Sl.No.	Particulars	Year ended 31.03.17	Year ended 31.03.16
1	Work Receipts	5,509,722,070	4,977,754,198
2	Interest Income	15,425,660	12,037,989
3	Foreign Exchange Fluctuation Gain	-	-
4	Others	248,349	3,136,809
	TOTAL	5,525,396,078	4,992,928,996

Surplus received from Oman ₹ 46,605,473 equivalent USD 700,000 (previous year ₹ 835,839,755 equivalent USD 12,908,450) during the financial year 2016-17.

Note No. 2.27

- Company has availed non fund based credit limits of ₹ 6,904,020,131 (Previous year ₹ 6,533,565,535) from banks without any security.
- As on 31.03.2017 Company has pledged fixed deposits amounting to ₹ 66,944,272 (Previous year ₹ 64,992,279) with clients/others on account of earnest money deposit/security deposit out of which fixed deposit of ₹ 5,000,000 submitted to Client is under dispute, matter is sub-judice.



Note No. 2.28

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	March 31,2017				March 31,2016			
	Domestic	Foreign	Un-allocated	Total	Domestic	Foreign	Un-allocated	Total
Type of Business	Construction				Construction			
Revenue from Operation	10,704,819,545	5,509,722,070	-	16,214,541,615	7,976,890,190	4,977,754,199	-	12,954,644,389
Other Income	269,464,794	15,674,009	54,633,924	339,772,727	158,174,489	15,174,799	103,946,771	277,296,059
Total Income	10,974,284,340	5,525,396,078	54,633,924	16,554,314,342	8,135,064,679	4,992,928,997	103,946,771	13,231,940,447
Results								
Profit before Interest, Depreciation and Tax	285,361,484	33,876,971	(201,771,336)	117,467,119	220,294,612	372,436,873	(141,306,119)	451,425,366
Interest	41,553,882	284,876	19,586,917	61,425,675	34,776,067	122,119	23,194,791	58,092,977
Depreciation	6,190,458	830,461	7,337,034	14,357,953	5,973,935	848,648	4,592,357	11,414,940
Profit before Tax	237,617,144	32,761,635	(228,695,288)	41,683,491	179,544,610	371,466,105	(169,093,266)	381,917,449
Tax Expense	-	-	-	14,228,046				136,454,752
Profit/ (Loss) from discontinuing operations	-	-	(54,048)	(54,048)	-	-	-	-
Profit After Tax	237,617,144	32,761,635	(228,749,336)	27,401,396	179,544,610	371,466,105	(169,093,266)	245,462,697
Other Information								
Total Assets	11,937,979,302	5,758,880,136	1,235,553,371	18,932,412,809	12,239,392,236	2,029,742,439	1,830,251,308	16,099,385,982
Property, Plant and Equipment (Carrying Amount)	33,294,826	4,691,114	61,443,647	99,429,588	34,732,538	5,342,253	59,545,821	99,620,612
Total Liabilities	10,468,841,026	5,734,764,335	422,583,950	16,626,189,310	11,047,189,406	2,232,453,706	541,358,837	13,821,001,950
Capital Expenditure Addition to Property, Plant and Equipment	4,793,897	179,321	11,699,365	16,672,583	7,400,111	4,113,209	4,600,281	16,113,600

Note No. 2.29

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

(Amount in ₹)

Sl. No.	Particulars	As on 31.03.2017	As on 31.03.2016
1	Revenue from operations	16,214,541,615	12,954,644,389
2	Contract costs incurred and profit recognised upto the reporting date	83,190,942,372	68,152,128,877
3	Advances received	6,138,406,793	3,572,239,594
4	Gross amount due from customers for contract work- presented as an asset	2,411,753,690	3,331,521,506
5	Gross amount due to customers for contract work – presented as a liability	613,586,477	1,192,716,789
6	Retention money Receivable	2,001,754,652	2,158,358,893



Note No. 2.30

Employee benefits:

The company has classified various employee benefits as under:

- a) Contribution to Provident Fund ₹ 41,814,035 (previous year ₹ 40,896,431) has been charged to Profit and Loss Account. Further, the fund has interest shortfall of ₹ 1,430,860 (previous year ₹ 1,265,535) for the year which has been compensated and charged to Profit and Loss Account.
- b) The company also provides for gratuity, long term compensated absences, post-retirement medical benefits and long service award, one time post retirement travelling allowance on actuarial basis.

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	7.36% (7.91%)	7.36% (7.91%)	7.36% (7.91%)	7.36% (7.91%)	7.36% (7.91%)
Rate of increase in compensation levels/ Premium Inflation/ Cost of Travel	7.00%	7.00%	-	0.50%	3.00%
Expected rate of return on assets *	7.36%	-	-	-	-
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 Post Retirement: LIC (1996-98) Ult	IALM (2006-08) Ultimate
Average reimbursement per Couple	-	-	-	(Rs. 55,772)	-
	-	-	-	(Rs. 53,894)	-
Age*	Employee Turnover (%)				
Upto 30 Years	3.00%	3.00%	3.00%	3.00%	3.00%
From 31 to 44 Years	2.00%	2.00%	2.00%	2.00%	2.00%
Above 44 Years	1.00%	1.00%	1.00%	1.00%	1.00%



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	137,434,160 (139,897,910)	132,299,042 (128,071,143)	5,149,456 (6,176,600)	170,364,891 (128,794,211)	272,939 (272,939)
Current service cost	9,535,956 (10,688,978)	7,819,249 (7,720,582)	342,385 (350,973)	8,467,205 (5,836,205)	49,674 (272,939)
Interest cost	10,173,508 (11,958,632)	9,948,344 (11,006,921)	384,157 (513,266)	13,293,629 (11,482,695)	21,450 -
Actuarial (Gain)/loss	(5,210,630) ((4,223,917))	17,326,262 (16,775,130)	341,214 ((743,306))	18,029,962 (47,631,745)	580,261 -
Acquisition adjustment	- (1,634,584)	- -	- -	- -	- -
Benefits Paid	(23,594,124) ((22,531,027))	(32,669,450) ((31,274,734))	(1,729,672) ((1,148,077))	(25,504,253) ((23,379,965))	(139,719) -
Projected Benefit Obligation at end of year	128,338,870 (137,434,160)	134,723,447 (132,299,042)	4,487,540 (5,149,456)	184,651,434 (170,364,891)	784,605 -

* Same as Previous Year

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

(Amount in ₹)

Particulars	2016-17	2015-16
	(Funded)	(Funded)
Fair value of Plan Assets as at beginning of the year	129,803,738	135,484,798
Expected Return on Plan Assets	9,334,328	11,378,326
Actual Contributions	7,630,422	4,413,112
Actuarial Gain / (Loss)	838,272	(585,055)
Benefits Paid	(23,594,124)	(22,531,027)
Acquisition Adjustment	-	1,643,584
Fair value of Plan Assets as at end of the year	124,012,636	129,803,738



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	128,338,870 <i>(137,434,160)</i>	134,723,447 <i>(132,299,042)</i>	4,487,540 <i>(5,149,456)</i>	184,651,434 <i>(170,364,891)</i>	784,605 <i>(272,939)</i>
Fair value of plan assets as at end of year	124,012,636 <i>(129,803,738)</i>	- -	- -	- -	- -
Funded Status Asset / (Liability)	(4,326,234) <i>((7,630,422))</i>	(134,723,447) <i>((132,299,042))</i>	(4,487,540) <i>((5,149,456))</i>	(184,651,434) <i>((170,364,891))</i>	(784,605) <i>(272,939)</i>
Net (Liability)/ Asset recognized in Balance Sheet	(4,326,234) <i>((7,630,422))</i>	(134,723,447) <i>((132,299,042))</i>	(4,487,540) <i>((5,149,456))</i>	(184,651,434) <i>((170,364,891))</i>	(784,605) <i>(272,939)</i>

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	9,535,956 <i>(10,688,978)</i>	7,819,249 <i>(7,720,582)</i>	342,385 <i>(350,973)</i>	8,467,205 <i>(5,836,205)</i>	49,674 <i>(272,939)</i>
Interest cost	10,173,508 <i>(11,958,632)</i>	9,948,344 <i>(11,006,921)</i>	384,157 <i>(513,266)</i>	13,293,629 <i>(11,482,695)</i>	21,450 -
Expected return on Plan Assets	(9,334,328) <i>((11,378,326))</i>	- -	- -	- -	- -
Net actuarial (Gain)/ Loss recognized in the period	(6,048,902) <i>((3,638,862))</i>	17,326,262 <i>(16,775,130)</i>	341,214 <i>((743,306))</i>	18,029,962 <i>(47,631,745)</i>	580,261 -
Expenses recognized in the P & Loss A/c	4,326,234 <i>(7,630,422)</i>	35,093,855 <i>(35,502,633)</i>	1,067,756 <i>(120,933)</i>	39,790,796 <i>(64,950,645)</i>	651,385 <i>(272,939)</i>

Figures of Previous year are indicated in italics & brackets ().



Note No. 2.31

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) Key Management Personnel with whom there were transactions during the year :

Shri S. P. S. Bakshi, Chairman-cum- Managing Director*

Shri Vinoo Gopal, Director (Projects)**

Shri K.S. Rao, Part-time Non-Official Director (upto 03.02.2017)

Shri Sushant Baliga, Part-time Non-Official Director

Smt. Anita Chaudhary, Part-time Non-Official Director

Shri Sakthimani, Director (Finance)#

*Holding additional charge of Director (Finance) w.e.f. 21.10.2016 to 20.03.2017.
(currently under suspension)

** Holding additional charge of Director (Finance) w.e.f. 01.12.2015 to 31.05.2016.

Holding additional charge of Director (Finance) w.e.f. 29.03.2017 to 13.04.2017.

Shri S.P.S. Bakshi (currently under suspension), Shri Vinoo Gopal and Shri Sushant Baliga have also been nominated Part Time Directors and Sh. Kapil Tara, ED (WRO), EPI has been nominated as Part Time CEO (KMP) (currently under suspension from EPI) and Smt. Sudha Venkata Varadhan, CS (EPI) has been nominated as Part Time CS in Subsidiary Company of Engineering Projects (India) Ltd.

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

Particulars	(Amount in ₹)	
	2016-17	2015-16
Salary*	5,451,159	9,320,268
Contribution to provident fund	510,407	634,289
House rent	1,062,000	1,379,430
Medical Expenses	356,988	658,448
Sitting fees (including fee for meeting of Independent Director)	532,650	245,000

*Included PRP payment of ₹ 23.80 lacs related to 5 years paid in the year 2015-16. During the year 2016-17, no PRP was paid.

Chairman-cum-Managing Director and Whole Time Directors are allowed to use the company's car for non-duty journey upto 1,000 km per month on payment of ₹ 2,000 per month. Gratuity and compensated absences are also payable as per the Rules of the company.



Note No. 2.32

Quantitative details for the stock of construction material as on 31st March are given below:

Particulars	As at 31 March 2017		As at 31 March 2016	
	Quantity (MT)	Value (₹)	Quantity (MT)	Value (₹)
CEMENT	1 62.70	962,962	173.85	982,334
STEEL	1,044.01	21,551,117	1,530.89	65,281,375
STEEL PIPES	54023 (RMT)	17,139,010	58856 (RMT)	19,275,860

Note No. 2.33

Lease rental expenses under the cancellable operating leases amounting to ₹ 10,891,270 (previous year ₹ 10,282,887) for the year has been charged to profit and loss account.

Note No. 2.34

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

Note No. 2.35

Cabinet Committee on Economic Affairs (CCEA) in its Meeting held on 17th February 2016 had approved the procedure and mechanism including constitution of Inter- Ministerial Group (IMG) for strategic disinvestment of CPSEs. Based on the instruction of CCEA, Department of Investment and Public Asset Management (DIPAM) has constituted an IMG in December 2016 for the strategic disinvestment of EPI by merging it with similarly placed CPSEs. DIPAM/ DHI have finalized/selected Transaction Advisor, Legal Advisor and Asset Valuer for strategic disinvestment of EPI. The process of inviting Expression of Interest 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)
Dividend	108,154,689	-	108,154,689	-	-
Dividend Tax	22,017,751	-	22,017,751	-	-
Project Contingencies*	231,003,752	80,000,000	-	12,399,489	298,604,263
Employee Benefits	315,716,750	80,930,026	67,673,516	-	328,973,260
Total	676,892,940	160,930,026	197,845,956	12,399,489	627,577,523
Previous Year	481,272,416	341,104,243	145,483,718	-	676,892,940

* Net of Provision for amount payable

Note No. 2.37

Management has made an assessment and found that there is no impairment in the value of fixed assets.

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 during the year is ₹ 1,854,000. Actual amount spent during the year is as under :

(Amount in ₹)

Particulars	In Cash	Yet to be paid in Cash	Total
Construction/acquisition of any asset	-		-
On purposes other than (i) above	1,674,900		1,674,900

Note No.2.39

During the year ended on 31.03.2017 amount of ₹ Nil (Previous Year ₹ 3,511,339) related to Performance Related Pay/ Pay Commission Arrears is pending for release to certain employees on non-availability of requisite information.



Note No. 2.40

Basic and diluted earnings per share are computed by dividing net profit after tax ₹ 27,401,396 (previous year ₹ 245,462,697) by 35,422,688 fully paid up equity share of ₹ 10 each.

	2016-17	2015-16
Basic and diluted earnings per share (₹)	0.77	6.93

Note No. 2.41

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

Note No. 2.42

Incident of fire occurred at Corporate Office of EPI on 14.09.2016. Due to alertness of EPI security staff and their swift and prompt actions fire was contained and localised on first floor of EPI office only and could not spread to other floors or neighboring offices. Loss suffered by EPI due to fire is ₹ 25 lac (i.e. WDV of damage assets) which will be further reduced by the amount of insurance claim which EPI is expecting to get from insurance company. The expenditure incurred by EPI on restoration of the damaged assets is ₹ 74 lac which has been capitalised. Impact of loss of financial records are not significant since the same has been verified through the SAP System implemented by EPI.

Note No. 2.43

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. Such dividends are to be disclosed in the notes. Accordingly, in compliance of the provisions of amended AS-4, dividend and applicable dividend distribution tax relating to FY 2016-17 are not recognized as liability in the financial statements and same will be recognized as liability, if any in the year of declaration.

However, EPI has applied to Department of Investment and Public Asset Management (DIPAM) for exemption from payment of dividend for FY 2016-17 & 2017-18.

Note No. 2.44

A subsidiary Company of EPI has been incorporated on 19th May 2016 as "EPI Urban Infra Developers Limited" (EPIUIDL) with paid up capital of ₹ 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 Subsidiary Company is non-operational and Board of Subsidiary Company has approved the closure of the Company subsequent to the close of financial year.



Note No. 2.45

During the year ended 31st March 2017, CBI has registered a case and filed an FIR against some employees of EPI. The case is in respect of alleged illegal gratification taken by the accused employees of EPI to award a tender in favour of a particular party. EPI is not named as party in the FIR and no financial impact on its financial statements is envisaged.

Note No. 2.46

Details of Specified Bank Notes (SBN) held and transacted during the period from 08th November 2016 to 30th December 2016 is as.

(Amount in ₹)

Particulars	SBNs (in ₹)	Other Denomination Notes (in ₹)	Total
Closing cash in hand as on 08.11.2016	62,000	14,474	76,474
(+) Permitted Receipts (withdrawal)	-	230,000	230,000
(-) Permitted Payments	-	196,547	196,547
(-) Amount deposited in Banks	62,000	6,867	68,867
Closing cash in hand as on 30.12.2016	Nil	41,060	41,060

For and on behalf of Board of Directors

Sd/- (Sudha V. Varadhan) Company Secretary	Sd/- (N.K. Sharma) ED (Finance)	Sd/- (Lekh Raj) Director (Finance)	Sd/- (N. Sivanand) Chairman-cum-Managing Director (Additional Charge)
---	--	---	---

GSA & Associates

Chartered Accountants

Firm Registration No.-000257N

Sd/-

Sunil Aggarwal

Membership No. 083899

Place: New Delhi

Date : 04.09.2017



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.	Sl.No.	1.
2.	Name of the subsidiary	EPI Urban Infra Developers Limited
3.	The date since when subsidiary was acquired/incorporated	19 th May 2016
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Same as that of holding company (1.04.2016-31.03.2017)
5.	Reporting currency and Exchange rate as on the last date of there levant Financialy ear in the case off oreign subsidiaries.	NA
6.	Share capital	1,000,000
7.	Reserves and surplus	(105,977)
8.	Total assets	1,234,533
9.	Total Liabilities (external excluding Share Capital & Reserves and Surplus)	340,510
10.	Investments	-
11.	Turnover	-
12.	Profit before taxation	(105,977)
13.	Provision for taxation	-
14.	Profit after taxation	(105,977)
15.	Proposed Dividend	-
16.	Extent of shareholding (in percentage)	51%

Notes:

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



Part B Associates and Joint Ventures

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

Name of Associates or Joint Ventures	NIL
1. Latest audited Balance Sheet Date	NIL
2. Date on which the Associate or Joint Venture was associated or acquired	NIL
3. Shares of Associate or Joint Ventures held by the company on the year end	NIL
No.	NIL
Amount of Investment in Associates or Joint Venture	NIL
Extent of Holding (in percentage)	NIL
4. Description of how there is significant influence	NIL
5. Reason why the associate/ joint venture is not consolidated	NIL
6. Net worth attributable to shareholding as per latest audited Balance Sheet	NIL
7. Profit or Loss for the year	NIL
i. Considered in Consolidation	NIL
ii. Not Considered in Consolidation	NIL

Names of associates or joint ventures which are yet to commence operations.	EPI-C&C-JV
Names of associates or joint ventures which have been liquidated or sold during the year.	NIL

For and on behalf of the Board

Sd/-
(Sudha V. Varadhan)
Company Secretary

Sd/-
(N.K.Sharma)
Executive Director (Finance)

Sd/-
(Lekh Raj)
Director (Finance)

Sd/-
(N. Sivanand)
Chairman-cum-Managing Director
(Additional Charge)

As per our report on even date attached

For GSA & Associates

Chartered Accountants

FRN-000257N

Sd/-

Sunil Agarwal

Membership No. 083899

Place : New Delhi

Date : 04.09.2017



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 2017.

The preparation of financial statements of ENGINEERING PROJECTS (INDIA) LIMITED for the year ended 31 March 2017 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 are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with 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 04 September 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of ENGINEERING PROJECTS (INDIA) LIMITED for the year ended 31 March 2017. 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 audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

**Sd/-
(Neelesh Kumar Sah)
Principal Director of Commercial Audit
& ex-officio Member, Audit Board-I
New Delhi**

**Place: New Delhi
Dated 28th September 2017**



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) READ ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ENGINEERING PROJECTS (INDIA) LIMITED FOR THE YEAR ENDED 31st MARCH 2017.

The preparation of consolidated financial statements of ENGINEERING PROJECTS (INDIA) LIMITED for the year ended 31 March 2017 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 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with 129(4) of the Act based on independent audit in accordance with 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 04 September 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of ENGINEERING PROJECTS (INDIA) LIMITED for the year ended 31 March 2017. We conducted the supplementary audit of financial statement of ENGINEERING PROJECTS (INDIA) LIMITED but did not conduct supplementary audit of the financial statements of EPI URBAN INFRA DEVELOPERS LIMITED for the year ended on that date. 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 audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

**Sd/-
(Neelesh Kumar Sah)
Principal Director of Commercial Audit
& ex-officio Member, Audit Board-I
New Delhi**

**Place: New Delhi
Dated 28th September 2017**



*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)

Core-3 Scope Complex, 7 Lodhi Road, New Delhi - 110 003

Tel. : +91-11-24361666, Fax : +91-11-24363426

E-mail: epico@engineeringprojects.com Website www.engineeringprojects.com