



54th वार्षिक प्रतिवेदन Annual Report 2023 - 24



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

ENGINEERING PROJECTS (INDIA) LTD.

(A GOVERNMENT OF INDIA ENTERPRISE)

Mission / Vision

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



Major Areas of Operation

Objectives

- i) Focus and maintain business in its most profitable segments while expanding into new business segments.
- ii) Deliver exceptional client service with an unrelenting focus on value creation.
- iii) Pursue operational excellence with a Strong focus on quality and margins.

CONTENTS

	Page No.
Reference Information	02
Board of Directors	03
Senior Executives	04
Financial Status for last five years	06
Chairman's Message	07
Notice of Annual General Meeting	11
Directors' Report and its Annexures:	15
■ Management Discussion and Analysis Report (Annexure- A)	32
■ Report on Corporate Governance (Annexure- B)	39
■ Annual Report on Corporate Social Responsibility (Annexure- C)	60
■ Disclosure of particulars of contracts/arrangements entered into by the company with related parties Form AOC - 2 (Annexure- D)	64
■ Secretarial Audit Report (Form No. MR 3) and Company's reply on Auditors Observation	65
Auditors' Report on Financial Statements and Company's reply thereto	91
Financial Statements for the Financial Year 2023-24	128
Comments of Comptroller and Auditor General of India (C&AG) on Financial Statements	179

REFERENCE INFORMATION

REGISTERED OFFICE

Core 3, SCOPE Complex,
7 Lodhi Road, New Delhi - 110003
Phone No: 91-11-24361666
E-mail: epico@epi.gov.in
Website: www.epi.gov.in

REGIONAL OFFICES

Eastern Regional Office-Kolkata

EC-121, Sector-1, Salt Lake City,
Kolkata-700064
Phone: (33) 40690059, (33) 40064469
E-mail: ero@epi.gov.in

Western Regional Office-Mumbai

“Bakhtawar”, 6A, 6th Floor,
Nariman Point, Mumbai- 400021
Phone: 91-22- 22027585, 91-22- 22028008
E-Mail: wromumbai@epi.gov.in

Northern Regional Office-Delhi

Core-3, 5th Floor, SCOPE Complex,
7 Lodhi Road, New Delhi – 110003
Phone: 91-11-24361666
E-mail : nro@epi.gov.in

Southern Regional Office-Chennai

3D, East Coast Chambers,
92, G.N Chetty Road,
T. Nagar, Chennai -600017
Phone: 91- 44-28156293, 28156421
E-Mail: sro@epi.gov.in

North Eastern Regional Office

4th Floor Hindustan Tower, Jawahar Nagar,
National Highway No.37, Beltola
Guwahati -781022 (Assam)
Phone : 0361-2962648
E-mail : nero@epi.gov.in

PROJECT OFFICES

PCO- Hyderabad Office

Flat No. 308, Satya Sai Apartments,
Srinivasa Nagar (East),
Metro Pillar No. A1040,
Ameerpet, Hyderabad- 500038,
Telengana
Email: epil.pcohyd@epi.gov.in

PCO- Bhubaneswar Office

2nd Floor, Khata No.- 081, Plot No.-471,
GA Plot No.-108, Surya Nagar,
Unit-07, Bhubaneswar-751003,
Khordha, Odisha
rk.singh@epi.gov.in

OVERSEAS OFFICE

Engineering Projects (India) Limited-
OMAN,
Post Box No. 3251
Postal Code 112 RUWI
Sultanate of Oman
E-mail: nk.verma@epi.gov.in

AUDITORS:

STATUTORY AUDITOR

VSD & Associates
DD-34 Basement Kalkaji
New Delhi-110019

BRANCH AUDITORS

Northern Region Branch Auditors

M/s. Bhudladia & Company,
12/10, East Patel Nagar,
New Delhi 110008

Eastern Region &

North Eastern Region Branch Auditors

M/s A.R Das & Associates,
Chartered Accountants
Address : 37/B/6 Jheel Road
Kolkata-700031

Western Region Branch Auditors

Nimesh Mehta & Associates
Express Zone Suite No 612
6th Floor A Wing Western
Express Highway
Malad (E) Mumbai-400097

Southern Region Branch Auditors

M Gopal & Co (MD1073)
Address: Jamal Fazal Chambers,
3E 3rd Floor,
New No.26 Old No. 53 Greams Road,
Thousand Lights,Chennai-600006

FOREIGN BRANCH AUDITORS

Sri Lanka Branch Auditors

M/s AccFirst Partners
Chartered Accountants
No. 787F, M D H Jayawardana Mw,
Madinagoda, Rajagiriya
Colombo ,Sri Lanka

Oman Branch Auditors

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

Myanmar Branch Auditors

M/s Daw Kalyar Win, Myanmar
Room No.3A, No. 20, Bawgatheikdi
Street,
Ward 2, Mayangone Township,
Yangon, Myanmar

COST AUDITOR

M/s Anuj Kumar & Co. ,
C-II/183A, New Ashok Nagar,
Near MCD Primary School,
Delhi-110096

SECRETARIAL AUDITOR

M/s. MNK and Associates LLP
Company Secretaries
MNK House, 9A/9-10,Basement,
East Patel Nagar,
New Delhi-110008

MAIN BANKERS

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

BOARD OF DIRECTORS

(As on the date of AGM)



Shri Shivendra Nath
Chairman & Managing Director



Shri Dibendu Das
Director (Finance)



Shri Sunil Dahiya
Director (Projects)



Shri Rajesh Kumar
Part Time Official Director



Dr. Renuka Mishra
Part Time Official Director



Smt. Akanksha Pare
Part Time Non- Official Director



Shri Vinod Kumar Yadav
Part Time Non- Official Director



Shri Ashok Shamkarrao Mendhe
Part Time Non- Official Director

SENIOR EXECUTIVES

(As on the Date of AGM)

Vacant

Chief Vigilance Officer (CVO)



Shri Nitesh Kumar Goyal
Company Secretary



Shri Biswajit Biswas
Executive Director
(Northern Regional Office,
New Delhi)



Smt. Geetha R. Krishnan
Executive Director (Planning &
Monitoring)



Shri Shamsheer Singh
Executive Director
(Business Development &
Engineering)



Shri Ratnesh Jain
Executive Director
(Contracts)



Shri Samik Mistry
Executive Director
(North Eastern Regional Office,
Guwahati)



Smt. A. Bhowmick
Group General Manager
(Engineering & Information
Technology)



Shri Sanjay Goel
Group General Manager
(Southern Regional Office,
Chennai)



Shri Naveen Kumar Verma
Group General Manager
(Oman Project)



Shri Shamsul Hasan
Group General Manager
(Contracts & Rajbhasha)



Shri Shamim Ahmad
Group General Manager
(Eastern Regional Office, Kolkata)



Shri A.K. Patra
Group General Manager
(Business Development)



Shri Gaurav Manchanda
Group General Manager
(Western Regional Office, Mumbai)



Shri Rajesh Kumar Singh
General Manager
(PCO, Bhubaneswar)



Shri Arun Bhowal
General Manager and
Public Information Officer (PIO)



Shri A. Subramanya Gupta
General Manager (Finance)



Smt. Seema Pandey
General Manager (Legal & HR)



Shri Ravindranath Motha
Addl. General Manager
(PCO, Hyderabad)



Shri Sumit Mehra
Addl. General Manager & Chief
Internal Auditor

FINANCIAL STATUS FOR LAST FIVE YEARS

(₹ in Crores)

Particulars/Years	2019-20	2020-21	2021-22	2022-23	2023-24
A. Operating Statistics					
Domestic (a)	622.49	530.41	723.42	1,086.63	820.57
Foreign (b)	714.10	275.21	12.75	45.33	23.40
Turnover (Operating Income) (c)=(a+b)	1,336.59	805.62	736.17	1,131.96	843.97
Other Income (d)	7.32	5.12	13.68	13.16	14.78
Total Income (e)= (c+d)	1,343.91	810.74	749.86	1,145.12	858.75
Total Expenditure (f)	1,326.35	843.11	806.51	1,137.56	913.20
Gross Margin (g) =(e-f)	17.56	(32.37)	(56.65)	7.56	(54.45)
Interest	8.52	10.32	4.78	3.83	9.51
Depreciation	1.09	0.99	0.88	1.13	1.11
Profit Before Tax (PBT)	7.94	(43.69)	(62.32)	2.60	(65.07)
Income Tax	7.02	6.06	2.75	2.16	(3.71)
Profit After Tax (PAT)	0.92	(49.74)	(65.06)	0.44	(61.36)
Dividend Paid*	-	0.28	-	-	-
Balance Carried Forward to Reserves & Surplus	0.92	(50.02)	(65.06)	0.44	(61.36)
No. of Employees	303	289	270	249	232
No. of Equity Shares of Rs.10/- each	35422688	35422688	35422688	35422688	35422688
B. Financial Position					
Share Capital	35.42	35.42	35.42	35.42	35.42
Reserve and Surplus (Free Reserves)	163.14	113.12	48.06	48.50	(12.85)
CSR Reserve	-	-	-	-	-
Net Worth (Shareholders' Funds)	198.56	148.54	83.48	83.92	22.56
Capital Employed	198.56	148.54	83.48	83.92	22.56
C. Financial Ratios					
Turnover per Employee (Rs. In lakhs)	4.41	2.79	2.73	4.55	3.64
Gross Margin / Turnover (%)	1.31	(4.02)	(7.70)	0.67	(6.45)
Profit Before Tax (PBT)/ Turnover (%)	0.59	(5.42)	(8.46)	0.23	(7.71)
Profit Before Tax (PBT)/ Net Worth (%)	4.00	(29.41)	(74.65)	3.10	(288.25)
Profit After Tax (PAT)/ Net Worth (%)	0.46	(33.49)	(77.94)	0.53	(271.82)
Dividend paid / Profit before tax (%)	-	3.48	-	-	-
Dividend paid / Profit after tax (%)	-	30.00	-	-	-
Basic and Diluted EPS (in Rs)	0.26	(14.04)	(18.37)	0.12	(17.32)
NAV Per Share having Face Value of Rs.10/-	56.06	41.94	23.57	23.69	6.37

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

CHAIRMAN'S MESSAGE

Dear Shareholders,

On behalf of the Board of Directors, it is indeed an honour and a privilege for me to formally present the 54th Annual Report of our company for the financial year 2023-24.

I took charge as CMD of the Company in the middle of 3rd Qtr of 2023-24 in the midst of huge challenges being faced by the Construction Industry. In the backdrop of several handicaps being faced by the Infrastructure Industry and EPIL in particular, I want to present the financial results for 2023-24 and way forward for 24-25 and beyond.

Financial Performance snap shot for 2023-24

- Revenue from operations was ₹ 843.97 Crores as against ₹ 1131.96 Crores during the previous year, registering a significant decline of 25.44%.
- Profit after Tax (PAT) was (₹ 61.36 Crores) as against Profit after TAX (PAT) ₹ 0.44 Crores during the previous year.
- The Net Worth of the Company decreased from ₹ 83.92 Crores to ₹ 22.56 Crores which is a decrease of 73% over the previous year.

We have successfully broadened our presence into new segments within the infrastructure sector, including highways, Coal handling plants, Hospital Projects, initiatives under the Swachh Bharat Mission, flue gas desulphurization and the development of warehouses and silos. Our order book has displayed a consistent upward trend in recent years with a value of ₹ 5650 Crores as of March 31, 2024, providing us with a positive revenue outlook for the forthcoming years.

As we look forward to “Azadi Ka Amrit Kaal: Vision@2047,” your company, operating as a Central Public Sector Enterprise (CPSE), is well-positioned to maintain its leading presence not only within the national market but also expand its influence on the global stage in the days to come

Way Forward/ Strategy outlook:

Business development initiatives have taken up to restore the orders, making strategic associations with specialized agencies, entering new design oriented sector during the financial year.

After analyses of market condition, the infrastructure and especially industrial, IT sector related works are key driver as on date in India. The Government's various initiatives in Industrial & IT sector investments and bringing the investments in these sectors created various opportunities and strengthen our strength as EPC Company.

To assure sustained growth, EPI has aimed at diversifying in new areas like

- Comprehensive Integrated Border Management System like Security Surveillance.
- Tie-up with Technology Partner for Dredging related Works, Decentralised STP Works, FGD Projects
- High value Road Projects

- Data Centre Infrastructure Works

Other Major Initiatives taken by the company are

- Centralisation of contract division
- Monitoring of Projects from Corporate Office
- Centralised Quality assurance department
- Rationalisation of manpower
- Cash management through bank account consolidation.
- Increase in credit limit/BG limits from Bankers
- Generation of steady revenue through property leasing.
- Reduction measures in travel expenses , site & regional office overheads
- Strengthening our in-house design and architectural capabilities to secure design related jobs.
- Enhanced transparency through SAP & e-office utilization

As we set our sights on the upcoming year, we reaffirm our commitment to our valued stakeholders and outline the strategic direction that will guide our journey towards continued success.

1. **Diversification by entering in various sector:**

- Our primary objective is to foster sustainable growth by diversifying our project portfolio across various infrastructure sectors, majorly industrial sectors, both domestically and internationally.
- Focus on High Value Project on PMC Basis and EPC Projects to increase sustainable growth.
- The change in strategy for various business opportunities by implementing pre-tie up with specialised associates/Technology Partner in various fields.

2. **Technological Advancements:**

- Company is focused to invest in cutting-edge construction technologies, automation and digitalization to enhance project efficiency.
- Imparting the various engineering fields related training to employees will be our priority to acquire the business in design related research fields.

3. **Efficient Manpower and Improvement:**

- We will arrange more program for Training of all level of Employees for project management and quality assurance.
- Manpower will be trained in skill based software's application tools for estimation and design fields, Quality awareness programs and smart processing of billings etc.

4. **Sustainability and Environmental Stewardship:**

- All the EPI operations through projects assures of compliances of Environmental Standards in all green field projects.

- The design standards implementation will be such as all the projects will assure the environmental Stewardship and sustainability for the Society of India.

5. Client and Partners Engagement:

- Building relationship with client is our prime objective for timely deliverables.
- All the efforts are being taken for the full client satisfaction and some of the orders were restored by reposing the trust of client on EPI and the same drive will be taken for all other projects.
- Partnership drive is major initiative taken in this year for business development and assurance for the more business booking this year.

6. Financial Resilience:

- Ensuring financial stability and resilience will serve as the bedrock of our strategy.
- Prudent financial management, risk mitigation and cost optimization will underpin our financial approach.

7. Innovation and Adaptation:

- Innovations in the working assignments and in various fields are prime objective which will make entry in diversified areas.
- We will continuously attempt to achieve goals with adaptation of new technologies to improve and secure the business.

8. Global Reach:

- Our aspirations extend beyond borders, and we will explore avenues for global expansion, leveraging our expertise and experience.

9. Community and Social Responsibility:

- We will continue our social responsibility by doing social initiatives and we will serve to the communities.

Challenges Ahead:

While we are poised for growth, we acknowledge the existence of challenges. These include contingent liabilities, which currently stand at Rs. 1206 Crores as of March 31, 2024. Efforts are underway to mitigate these liabilities and minimize fresh accruals.

Subsidiary Company:

Our subsidiary, EPI Urban Infra Developers Limited, has been struck off by the RoC on 20.07.2023 itself. Accordingly no Consolidated Financial Statements were required to be prepared for the FY 2023-24.

Performance under MOU:

Your Company is exempted for signing MoU vide DPE letter no. M-03/0021/2022-DPE(MoU) dated 25.10.2022.

Dividend:

In light of Losses and inadequate funds, your directors have not recommended any dividend (final/ interim) for the financial year 2023-24.

Human Resource:

We recognize the critical role of a qualified and competent team in delivering successful projects. Despite challenges in manpower recruitment, we are committed to surmounting this hurdle through temporary hiring.

Corporate Governance:

Our commitment to upholding robust corporate governance practices remains unwavering. We continue to adhere to the Corporate Governance Guidelines issued by the Department of Public Enterprise (DPE).

Corporate Social Responsibility and Sustainability:

During the year, no activities were undertaken due to the NIL budget allocation.

Acknowledgment:

I extend my sincere appreciation to our dedicated employees, esteemed board members, shareholders, auditors, business associates, clients and all other stake holders for their unwavering support and guidance. Your trust fuels our confidence as we strive for greater success in the future.

In closing, we look forward to the future with optimism, committed to our pursuit of growth, innovation and excellence across all our endeavours.

Sd/-
Shivendra Nath
Chairman & Managing Director
DIN: 10397812

Date: 27th September 2024

Place: New Delhi

Engineering Projects (India) Limited

CIN: U27109DL1970GOI117585

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

Phone no. 91-11-24361666, Email: csd@epi.gov.in

Website: www.epi.gov.in

NOTICE

Notice is hereby given that the **54th Annual General Meeting** of the members of Engineering Projects (India) Limited (EPI) will be held on **Friday, 27th September 2024 at 03:30 PM** through Video Conferencing/ Other Audio Visual Means to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March 2024 together with Reports of the Board of Directors, Auditors thereon and Comments of the Comptroller & Auditor General of India (C&AG), and management replies, if any, and to pass the following Ordinary Resolution, with or without modification (s):

“RESOLVED THAT Financial Statements for the year ended 31st March 2024 comprising Balance Sheet as at 31st March 2024, the Statement of Profit and Loss Account for the year ended 31st March 2024 along with Notes and Annexures and the Auditors’ Report thereon, Comments of the Comptroller & Auditor General of India (C&AG) and the Directors’ Report along with its annexures including Management Discussion and Analysis Report, Report on Corporate Governance, Corporate Social Responsibility and Sustainability Report, Secretarial Audit Report, Form AOC-2 for disclosure of particulars about 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 2023-24.

Board of Directors had proposed NIL dividend for the Financial Year 2023-24 in view of losses and inadequate funds in its 287th Meeting held on 25th July 2024. Hence there is “NIL” Dividend for the Financial Year 2023-24.

Special Business

3. To ratify the remuneration of the Cost Auditor for the financial year 2024-25 as approved by the Board of Directors on 287th Board Meeting (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. 40,000/- (Rupees Forty Thousand only) plus applicable tax (TA/DA and out of pocket expenses inclusive) as recommended by Audit Committee and approved by the Board of Directors to be paid to M/s. Anuj Kumar & Co., Cost Accountants as Cost Auditor for the financial year 2024-25 be and is hereby ratified and confirmed.”

BY ORDER OF THE BOARD OF DIRECTORS

Date: 02nd September 2024

Place: New Delhi

Sd/-

(Nitesh Kumar Goyal)

Company Secretary

E-mail id: csd@epi.gov.in

NOTES:

1. The Ministry of Corporate Affairs (“MCA”) has, vide its circular dated 25th September 2023 read together with circulars dated 28.12.2022, 05.05.2022, 13.01.2021, 05.05.2020, 13.04.2020 and 08.04.2020 (collectively referred to as “MCA Circulars”) permitted convening the Annual General Meeting (“AGM”/“Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without physical presence of the members at a common venue. In accordance with the provisions of the Companies Act, 2013 (‘the Act’) and MCA Circulars the AGM of the Company is being held through VC/OAVM. This AGM shall be deemed to be held at the Registered Office of the Company.
2. As per the provisions of the Act, a member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy in writing duly signed by him to attend and vote instead of himself/ herself, and the proxy need not be a member. Since this AGM is being held through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route map are not annexed with this Notice.
3. Corporate members are requested to send a duly certified scanned copy of the Board Resolution/ Authority Letter, etc authorizing the representative to attend the AGM through VC/OAVM and vote on their behalf at the meeting. The said resolution/authorisation be sent by email through its registered email address to csd@epi.gov.in with a copy marked to nitesh.goyal@epi.gov.in
4. The relevant explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 & Secretarial Standard 2 on General Meetings, in respect of Special Businesses, as set out above is annexed hereto.
5. Members attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.
6. None of the Directors of the Company is in any way related with each other.
7. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the e-AGM.
8. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days during business hours (barring Saturday and Sunday) up to the date of AGM.
9. Pursuant to Section 139 of the Companies Act, 2013, the Auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India (C&AG) and in pursuant to Section 142 of the Companies Act, 2013, their remuneration is to be fixed by the Company in the Annual General Meeting or in such manner as the Company in general meeting may determine. The shareholders of EPI vide resolution passed at the 44th Annual General Meeting (AGM) dated 29th September 2014 authorised the Board to fix the remuneration of Statutory Auditors and Branch Auditors from the financial year 2013-14 onwards. Accordingly Board of Directors in its 285th Board Meeting held on 31st January 2024 (Item No. 285-23-24/B-5) had fixed fees of Rs.

10.85 Lakhs (plus applicable taxes) towards Statutory Audit of Corporate Office and Branch Offices (excluding foreign branches) for the financial year 2023-24.

10. In compliance with the provisions of Section 129(3) of the Act, the Audited Financial Statements include the Consolidated Financial Statements of the Company as defined in the Act for consideration and adoption by the Members of the Company. Since the subsidiary Company of EPI i.e. "EPI Urban Infra Developers Limited" has been struck off and dissolved by the Registrar of Companies (RoC) during the FY 2023-24 i.e. 20.07.2023, hence the Consolidated Financial Statement has not been prepared.

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

Item No. 3: Ratification of remuneration of Cost Auditor

Based on the recommendation of the Audit Committee, the Board had appointed M/s Anuj Kumar & Co., Cost Accountants as Cost Auditor to conduct audit of cost records of the Company for the financial year 2024-25 at a remuneration amounting Rs. 40,000/- (Rupees Forty Thousand only) plus applicable tax. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, the Resolution at Item No.3 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members of the Company.

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

To:

1. All Shareholders of EPIL
2. Statutory Auditor, EPIL
3. Secretarial Auditor, EPIL
4. Cost Auditor, EPIL
5. All Directors of EPIL

Copy to:

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

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

(Nitesh Kumar Goyal)

Company Secretary

E-mail id: csd@epi.gov.in

Date: 02nd September 2024

Place: New Delhi

NOMINATION FORM

To
The Company Secretary
Engineering Projects (India) Limited [EPIL]
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 54th Annual General Meeting (and any other adjourned meeting thereof) of the Shareholders of EPI to be held on 27th September 2024 (Friday) at 3:30 PM.

Thanking you,

Yours' faithfully,

Signature
Designation
Stamp and Seal

Date:

Place:

DIRECTORS' REPORT

Dear Members'

Your Directors have the pleasure in presenting the 54th Annual Report on the performance of the Company during the financial year 2023-24.

1. FINANCIAL HIGHLIGHTS

During the year 2023-24, the Company achieved an operating turnover of ₹84,397 Lakhs as against turnover of ₹1,13,196 Lakhs achieved during the previous year. Loss Before Tax during this period stood at ₹6,507 Lakhs in comparison to Profit Before Tax ₹260 Lakhs during the year 2022-23.

The financial highlights of your Company during the year 2023-24 along with the corresponding previous year figures are as under-

(₹in Lakhs)

Sl. No.	Description	2023-24	2022-23
1.	Operating Turnover	84,397	1,13,196
2.	Other Income	1,478	1,316
3.	Total Income	85,875	1,14,512
4.	Gross Margin	(5,445)	756
5.	Interest Paid	951	383
6.	Depreciation	111	113
7.	Profit/Loss Before Tax	(6,507)	260
8.	Taxes	(371)	216
9.	Profit/Loss After Tax	(6,136)	44
10.	Net Worth	2,256	8,392

The Net Worth of the Company decreased from ₹8,392 Lakhs to ₹2,256 Lakhs which is a decrease of 73% over the previous year. The return on capital employed in 2023-24 is -2721.93 % as against 0.53% in 2022-23.

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

Further the activity of Asset Monetisation (under DIPAM Disinvestment scheme) is in process and your Company is adhering all the Policies/ Guidelines/ framework etc. issue from time to time in this regard.

In compliance to Ministry of Heavy Industries (MHI) instructions and an Action Plan Matrix defining review and monitoring mechanism for maintenance of records of land possessed by CPSEs/ABs under MHI; it is informed that your Company is having a Leasehold land of 10,000 sq. meters at Matsya Industrial Area, Alwar (Rajasthan) for the purpose of Workshop/Warehouse. The Lease is for the period of 99 years w.e.f. 7th September 1998.

2. CAPITAL STRUCTURE

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

3. DIVIDEND & RESERVES

Your Directors have not recommended any Dividend (Final/ Interim) for the Financial Year 2023-24 due to the losses and inadequacy of cash.

Accordingly, the balance amount in the Reserves & Surplus account as on 31st March 2024 stands at (₹1,286) Lakhs.

4. MARKETING ACHIEVEMENTS

During the financial year 2023-24, Company has secured projects worth ₹1,218.32 Crores. The major projects are as below:

Sl. No.	Name & Place of the Project	Client	Value (Without GST (₹in Cr.)
1	Supply, Installation, Commissioning & Testing of FGD system for 500 MW unit no.6 of UKAI TPS with 03 years comprehensive O&M Contract	Gujarat State Electricity Corporation Limited, Vidyut Bhavan, Vadodara.	532.32
2	Provision of Administrative and Logistic Infrastructure including schools, hospitals, auditoriums and sports facilities including STP, and other services at Naval Station Rambilli Vishakhapatnam"- (Design and Build EPC mode)	Director General Naval Project, Naval Base Post, Visakhapatnam.	240.99
3	Construction of 41 nos PWSS within Dantan - I & II and Keshiary Block of Paschim Medinipur.	Public Health Engineering (PHE) Department, Government of West Bengal.	156.89

Sl. No.	Name & Place of the Project	Client	Value (Without GST) (₹ in Cr.)
4	EPC Contract for Water Supply Scheme in Bamangola block of Malda district including three (3) month trial run and five (05) year operation and maintenance”.	Public Health Engineering (PHE) Department, Government of West Bengal, Malda Division	103.60
5	Annual Repair and Maintenance/Special Repairs of Civil and Electrical works including Operation of various Electrical / Electro-Mechanical services, Equipment and plants in ESI Establishments of the Tamil Nadu region except ESIC Hospital KK Nagar and Triunelveli (on Deposit Basis)	Employee’s State Insurance Corporation, Regional Office, Chennai.	67.75

MAJOR ONGOING PROJECTS IN INDIA FOR THE F.Y.2023-24

S No.	PROJ. CODE	NAME & PLACE	CLIENT NAME	CURRENT PROJECT VALUE (WITHOUT GST) as on 31.03.2024 (₹ in Cr.)
1	912	Widening to Six Lane of existing four lane Jetpur-Gondal-Rajkot Section from KM 117.600 to KM 185.00 National Highway no. 27 in the State of Gujarat on EPC mode under Bharatmala Pariyojana.	National Highways Authority of India, New Delhi	614.45
2	905	Construction of 150 seated Government Medical College, 650 Bedded Hospital and allied buildings at Distt. Gondia, Maharashtra. (on PMC basis)	Medical Education and Drugs Department, Govt. of Maharashtra, Mumbai	584.30
3	833, 870 to 882	Construction of EMRS at 14 location in Maharashtra	National Education Society for Tribal Students (EMRS)	372.52
4	830, 859 to 869	Construction of EMRS Schools at 12 location in Gujarat	National Education Society for Tribal Students (EMRS)	333.25
5	967	Provision of Administrative and Logistic Infrastructure including Schools, Hospitals, Auditoriums and Sports facilities (Buildings/	Director General Naval Project, Naval Base Post, Visakhapatnam, Andhra	240.99

		Structures on EPC mode) including services, under WP-07 and provision of Sewage Treatment Plant under WP-5B at Naval Station Rambilli Vishakhapatnam"- (Design and Build EPC Mode)	Pradesh.	
6	824	Flue Gas Desulphurisation (FGD) system package for Ramagundam Super Thermal Power Station, Stage III (1x500MW), Ramagundam.	NTPC Limited, New Delhi.	235.06
7	838, 925 to 931	Execution of PKG. ROB 11 works of existing level crossings on Kota-Mathura Section of WCR, Jabalpur. (PMC basis for 8 locations.)	Railway Board, Ministry of Railway, Govt. of India, New Delhi	212.53
8	822	Rehabilitation and Up-gradation of Road (total Length 16.290 KM) of Manu - Ialchara Section on NH 44A in the state of Tripura for NHIDCL.	National Highways and Infrastructure Development Corporation Limited (NHIDCL)	195.99
9	834, 915 to 922	Construction of EMRS at 9 location in Andhra Pradesh	National Education Society for Tribal Students, (EMRS Division)	191.15
10	645	Const. of Flood Lighting along Indo-Bangladesh Border in the State of Mizoram.	Ministry of Home Affairs, Govt. of India, New Delhi.	186.86
11	933	Construction of CHP on EPC mode for Transportation of Coal (10 MTY) from head end of Pipe Conveyor at Transfer House TH- 2 to Silo (under construction) including O&M at Hingula area, Mahanadi Coalfields Limited (MCL) Sambalpur, Odisha for MCL, Odisha.	Mahanadi Coalfields Limited, Sambalpur, Odisha.	185.00
12	950 to 953	Execution of different Health Projects under NHM, in Cuttack, Puri, Ganjam, Kandhamal, & Sundargarh district of Odisha.	Mission Directorate, National Health Mission, Govt. of Odisha	181.14
13	969	Construction of 41 nos PWSS within Dantan – I, Dantan – II & Keshiary block of Paschim Medinipur	Public Health Engineering (PHE) Department, Govt. of West Bengal	156.88
14	893	Project Implementation Agency (PIA) to implement Swatchh Bharat mission (Grameen) Phase-II in the State of Goa.	Directorate of Panchayat, Government of Goa, Panaji, Goa.	141.53

15	836	Procurement, Supply, Construction, erection and commissioning on EPC Lumpsum (LSTK) basis for Rare Earth Permanent Magnet (REPM) Plant at BARC, Vishakhapatnam.	IREL (India) Limited, (Formerly Indian Rare Earths Limited)(A Govt. of India Undertaking) Mumbai	139.80
16	932	Detailed survey, Designing, Drawing and Construction of RCC intake well cum Pump House, RCC Gangway, Water Treatment Plant, RCC reservoir, Staff Quarter etc. For Sisai block rural pipe Water Supply Scheme under D.W. & S. Division, Gumla on turnkey basis.	Drinking Water and Sanitation Department, Govt. of Jharkhand.	138.02
17	809	Construction, Up-gradation and other related works from concept to completion for the Sundargarh district in the State of Odisha (on PMC basis) - Road & Bridges Works	Collector & District Magistrate, District Mineral Foundation (DFM), Sundargarh, Odisha	127.47
18	945	Construction of Medical Skill Hub in West Garo Hills district, Meghalaya under Pradhan Mantri Jan Vikas Karyakram (PMJKV) on turnkey basis at West Garo Hills, Meghalaya.	Commissioner & Secretary to the Govt. of Meghalaya, Social Welfare Department.	121.11
19	939	Township Works Package - a for Construction of Residential & Non-Residential Buildings including external Infrastructural Development in various substations of Assam state associated with NER Power System improvement Project.	Power Grid Corporation of India Limited, New Delhi	116.99
20	890	Infrastructure Development of Schools in Lahunipada and Koida blocks of Sundargarh District, Odisha under DMF Scheme	District Magistrate, Sundargarh.	116.41
21	942	Construction of High-Rise multi storeyed Office Building at Gurkhabasti, Agartala, Tripura on turnkey basis.	Executive Engineer, PWD, (R&B), Agartala, Tripura	106.48
22	806	Construction of Command Control Centre, Convention Hall, Auditorium, Tribal Museum at ABD area in Rourkela for M/s Rourkela Smart City Limited, Rourkela.	Rourkela Smart City Limited, Rourkela, Odisha.	104.25

23	971	Surveying, Planning Designing, Delivery, Erection, Construction, Commissioning and completion of all Civil, Electrical and Mechanical works including allied and related works for Sub-surface water based piped Water supply scheme in Bamangola block of Malda district followed by three (3) Month trial run and five (05) year Operation and Maintenance”.	Public Health Engineering (PHE) Directorate, Government of West Bengal, Malda Division.	103.60
24	903	PMC for Infrastructure Development works at Mizoram University and Pachhunga University College, Aizawl, Mizoram (Phase-II) (on deposit basis)	Mizoram University, Aizawl.	99.66

Projects Completed in India:

The Company has completed following major projects:

(₹ in Crs.)

SL. No.	PROJECT CODE	NAME	PLACE	PROJECT VALUE
1	731	Project Management & Execution Consultant for setting up Medical College and Hospital in Sundergarh district, Odisha.	Sundergarh, Odisha	354.90
2	822	Rehabilitation and Up-gradation of Road (Total Length 16.290 km) of Manu - Lalchara section on NH 44A in Tripura for NHIDCL	Tripura	195.98
3	836	Procurement, Supply, Construction, Erection and Commissioning on EPC lumpsum (LSTK) basis for Rare Earth Permanent Magnet (REPM) Plant at BARC, Vishakhapatnam.	Vishakhapatnam	139.80
4	810	Construction of Main line EMU Car Shed (Phase-2) at Khurda Road, Odisha.	Odisha	61.91
5	791	Construction of ALIMCO Advanced Integrated wellness & Rehabilitation Centre at Village Nawada Tigaon, Faridabad, Haryana.	Faridabad, Haryana.	38.87
6	891	Infrastructure Development works at SPPL, Sitarganj, Uttarakhand.	Sitarganj, Uttarakhand.	32.05

7	908	Construction of Teaching and Non teaching Staff Quarter for Upgraded+2 College and Upgraded High School at Gajapati, Sundargarh and Kandhamal District of Odisha. (PMC basis)	Odisha	32.00
8	956	Project Management Consultancy Services for Phase - III works at NCR-Biotech Sciences & NCR-Biotech Science cluster (BSC) THSTI, Faridabad for Upgradation of Small Animal Facility at NCR-BSC, Faridabad.	Faridabad, Haryana.	19.30

5. ORDER BOOK POSITION

At the end of the Financial Year 2023-24, the balance work in hand of (119 nos.+ Overseas) projects under execution is ₹5,650 crs.

6. PERFORMANCE RATING UNDER MOU

Your Company is exempted for signing MoU vide DPE letter no. M-03/0021/2022-DPE(MoU) dated 25.10.2022.

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. Your Company has been complying with the Corporate Governance Guidelines issued by Department of Public Enterprise (DPE) and submit Quarterly and Annual Compliance Reports to Ministry of Heavy Industries (MHI). Further DPE has developed a dashboard for all operating CPSEs for submissions of their grading report on the Corporate Governance through a module under the PE Survey of DPE Website and in compliance to the same your company has submitted its Grading Report of Corporate Governance for this year on the said portal.

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 CRISIL has rated the same for the long-term rating i.e. "CRISIL BBB-". The Outlook on the long-term rating is Stable. The Rating of CRISIL has reaffirmed the short-term rating as "CRISIL A3".

9. VIGILANCE ACTIVITIES

Vigilance Division ensures at its end that all functions of the organization should be carried out with complete transparency, accountability & integrity. To prevent corrupt practices, Vigilance Division also ensure for the Preventive, Punitive and Surveillance & Detection Vigilance measures including but not limited to the following points:-

- Identification of sensitive posts, surprise visits by senior officers to vigilance sensitive areas, vigilance related sessions with Regional Offices/ Officials, periodical rotation of staff, preparation of ODI & agreed list, proper assistance to CBI for the smooth collection of Information, ensure that the manuals, procedures and procurement policies are updated from time to time, periodic inspections of the projects are carried out & their reports are being sent to the management, pointing out shortcomings (if any) in the procedures followed in 'Award of Works', site works and supply etc. along with the suggestions & recommendations for systemic improvements.
- Verifications & Investigation of all complaints/ allegations/ facts received to Vigilance division, management, regional offices etc. from vigilance angle, submission of Vigilance Investigation Report (VIR) to Disciplinary Authority (DA) for Regular Departmental Action (RDA) under minor/ major penalty, monitoring appointment of Inquiry Officer (IO) and presenting officer (PO) in cases and to ensure adherence of time schedule, examination/ processing of IO's report, timely issuance of penalty order by DA.
- A number of new initiatives have been taken to enhance the transparency in operations during the period and instructions have been issued from time to time to various divisions/ offices to comply with CVC's directions.

"Vigilance Awareness Week – 2023" was observed from 30.10.2023 to 05.11.2023 with the theme **"Say no to Corruption; commit to the Nation"** "भ्रष्टाचार का विरोध करें, राष्ट्र के प्रति समर्पित रहें" in its various offices and sites. As a prelude to Vigilance Awareness Week 2023, EPIL has undertaken a Three Months Campaign (16.08.2023-15.11.2023) with Preventive Vigilance measures as focus areas, as per the direction of the CVC.

Chairman & Managing Director, EPIL has administered the "Vigilance Awareness Week-2023 on 30.10.2023 by administering the "Integrity Pledge" to all Officials of EPIL. Further, on this occasion message from "Central Vigilance Commission" was read out by Chief Vigilance Officer, EPIL.

During the three months Campaign following programmes were organized for all EPIL employees:-

- The PIDPI Poster/Banners were displayed in various offices/sites of EPIL in different regional units of India under PIDPI Resolution.
- Various trainings were imparted under Capacity Building Programmes i.e. Ethics & Governance, Role of IO/PO in Conducting Inquiries, Cyber Hygiene and Security Procurement and Systematic Improvements.
- A Debate Competition was organized in EPIL on 01.11.2023 on the topic "Has Corruption Haunted India's Growth"
- An Essay Competition was organized in EPIL on 02.11.2023 on the topic "Which is bigger Evil- Corporate Corruption or Civil Corruption? Prudent ways to eradicate Corruption in India".
- The Drawing, poster and slogan Competition were organized in EPIL on 04.11.2023 on the topic "Corruption free India for a Developed Nation".

During the year, 14 cases were received out of which 12 vigilance cases has been disposed off and 02 cases were pending at the closure of the year.

10. HUMAN RESOURCE

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

As on 31st March, 2024, Company had a work force of 232 employees, which included 31 women employees. Out of 232 employees, 208 employees are technically and professionally qualified.

11. SC/ST PERSONNEL

As on 31st March 2024, No. of ST persons are 11; out of which 10 are male and 01 is female employee and No. of SC persons are 44; out of which 41 are male and 03 are female employees.

12. PHYSICALLY CHALLENGED PERSON

As on 31st March 2024, No. of physically challenged persons were 02 which constituted 0.86% of the total strength.

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

13. PROPAGATION OF RAJBHASHA/HINDI

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

- As per the Official Language Policy, Company's website has been made in bilingual format. EPI is a member of NARAKAS (Nagar Rajbhasha Karayanvyan Samiti) and nominations are sent on regular basis of October / November every year for participation in various programmes and competitions (In Hindi) organized by NARAKAS.
- Hindi Divas / Hindi Pakhwara was organized from 01st September to 14th September in which Ghoshvakya/Signature competitions Hindi Essay writing, painting competition, Self composed Hindi Poem writing were organized for the other officers/employees and General Manager and above officers etc.
- A memorial Award Scheme "**Swargiye Shankar Dayal Singh shield**" has been introduced and to generate interest among the employees for the contribution towards official correspondence in Hindi language, a cash reward scheme is well in place. Winner receiveing the maximum no. of prizes shall be entitled to the Puraskaar/ Shiel under the scheme.

- Hindi workshop (Karyashalas) are conducted on a quarterly basis to generate awareness among the employees regarding importance of Rajbhasha. Implementation of signature of employees in Hindi has been made mandatory for official correspondence. Ministry of Home Affairs, Department of Official Language has appreciated for organizing Hindi Pakhwara and Hindi Shikshan Yojna.
- Successfully inspected the implementation of the Department of Official Language of EPI, Western Regional Office on September 11, 2023 by the third sub-committee of the Hon'ble Parliamentary Committee on Official Language.
- In view of the instructions of the Parliamentary Official Language Committee and the increasing demand of the employees as per the official language standards, rules and the reports sent regularly to the Ministry of Home Affairs, Government of India and Ministry of Heavy Industries, Government of India, the Chairman-cum-managing Director, re-launched EPI news magazine as an e-news magazine through digital medium.
- Hindi book libraries were established in all the regional offices with an annual budget of approximately ₹15000/- was spent on the purchase of Hindi books and Hindi magazines.
- Received "Second" Prize Rajbhasha Department, The Ministry of Home Affairs on 07th March 2024 for commendable performance in implementing the Official Language Policy of the Union during the year 2022-23.
- Received "Third" Prize from The Town Official Language Implementation Committee (PSUs), Guwahati on 19th December 2023 for commendable performance in implementing the Official Language during the year 2022-23.

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

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

The Company has constituted a Committee for redressal of sexual harassment at workplace and for ensuring time bound treatment of such complaints. However, no complaint has been received during the year.

15. PUBLIC PROCUREMENT POLICY FROM MICRO & SMALL ENTERPRISES (MSMEs)

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

EPI believes in promoting comprehensive growth and equitable development of Micro and small 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.

1. The total procurement (Goods & Services) made from MSEs during FY 2023-24 was ₹11.08 Crs which was 75.73% of the total procurement (Goods & Services) of ₹14.64 Crs. The total procurement percentage made from MSEs owned by SC/ST and Women entrepreneurs during the year 2023-24 was 10.28% and 1.09% respectively.
2. The MSE vendor registered on MSME Sambandh Portal is 323 till March 2024 end.
3. All RO's/PCO of EPI have given access to MSME Samadhaan Portal to expedite the complaints registered by MSEs vendors on MSME Samadhaan Portal.
4. EPI is on-board on Trade Receivable electronic Discounting System (TReDS) through RXIL Portal since Nov 2018.

16. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

17. ECONOMY IN ADMINISTRATIVE EXPENDITURE

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

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

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

Directors/Key Managerial Personnel (KMP) appointed during the year 2023-24

Name of Director/KMP	Designation	Tenure
Ms. Mukta Shekhar	Government Nominee Director	w.e.f. 10.04.2023
Shri Dibendu Das	D (F) & Chief Financial Officer	w.e.f. 11.07.2023
Shri Sanjay Banga	CMD (Additional Charge)	w.e.f. 01.10.2023 till 20.11.2023
Shri Shivendra Nath	CMD & Chief Executive Officer	w.e.f. 20.11.2023

Directors/Key Managerial Personnel (KMP) ceased/ resigned during the year 2023-24

Name of Director/KMP	Designation	Tenure
Dr. Renuka Mishra	Government Nominee Director	Upto 10.04.2023
Shri R.P. Singh	Director (Finance) [Additional Charge]	Upto 24.06.2023
Shri Ashok Kumar Patra	Chief Financial Officer	Upto 10.07.2023
Shri D.S. Rana	CMD	Upto 30.09.2023
Shri Sanjay Banga	CMD (Additional Charge)	Upto 20.11.2023

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

19. DIRECTOR'S RESPONSIBILITY STATEMENT

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

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended on 31st March 2024 and of the profit of the Company for that period;
- iii) That proper and sufficient care has 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 has been prepared on a going concern basis; and
- v) That the directors have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

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

During the financial year, the Independent Directors have met the requirements specified under Section 149(6) of the Companies Act, 2013 for holding the position of 'Independent Director' and necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 was received.

21. NO. OF MEETINGS

During the year 2023-24, Four (4) Meetings of the Board of Directors were held. Details of Board and Board Sub-Committee Meetings are given in Report on Corporate Governance annexed with this report at **Annexure B**.

22. SUBSIDIARY COMPANY/ ASSOCIATES/ JOINT VENTURES

Subsidiary Company:

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

A summary winding up petition in respect of EPIUIDL under Section 361 of the Companies Act 2013 was filed in September 2018 which has been taken up for hearing by Regional Director (North), MCA on 21.04.2022. During hearing it was informed that the case matter is not fit for summary procedure for liquidation under said section and your Company may take the other course of action available under the Companies Act 2013. Accordingly an application for Striking

Off the name of the EPIUIDL under Section 248(1)(a) of the Company Act 2013 has been filed to the Director General of Corporate Affairs, Ministry of Corporate Affairs on 23.05.2022.

Further in response to the application, the Registrar of Companies (RoC) has issued a Notice to EPIUIDL for removal of name of a company from the register of Companies (STK-1) on 30.11.2022/ 07.12.2022. Subsequently RoC issued SKT-5 (Public Notice for striking of name of the Company) on 21.04.2023 and the same was published at MCA website and also published STK-5A (Public Notice) dated 02.05.2023 in the Times City Newspaper (13.06.2023). RoC issued STK-7(Notice of Striking off and dissolution) dated 20.07.2023 and published the same in the official gazette on 29.07.2023. Henceforth the Subsidiary Company viz. EPIUIDL stands struck off and dissolved. In view of the same and in compliance with the provisions of Section 129(3) of the Act, the Consolidated Financial Statements of the Company are not required to be prepared.

Joint Venture:

A Joint Venture “EPI-Varaha JV” (Unincorporated) was formed on 25th August 2023 between Engineering Projects (India) Ltd and Varaha Infra limited Jodhpur for “widning of six lane of existing four lane Jetpur-Gondal- Rajkot section from Km. 117.600 to Km. 185.000 on National Highway No. 27 in the state of Gujrat on EPC Mode under Bharatmala Pariyojna for the total project value of ₹1204.80 Crores having participating interest of 51 % for Engineering Projects (India) Ltd. acting as lead partner of JV and 49% for Varaha India Limited.

23. 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 2023-24 are as under-

S. No.	Name of the Firm	Region
1.	M/s. VSD & Associates	Statutory Auditors- Corporate Office /Alwar & Consolidation
Branch Auditors :		
1.	M/s. Bhudladia & Co. New Delhi	Northern Region Branch Auditors
2.	M/s. A R Das & Associates	Eastern Region & North Eastern Region Auditors
3.	M/s. Nimesh Mehta & Associates	Western Region Branch Auditors
4.	M/s. M Gopal & Co.	Southern Region Branch Auditors
5.	M/s MHMY, Oman	Oman Branch Auditors
6.	M/s AccFirst Partners, Sri Lanka	Sri Lanka Branch Auditors
7.	M/s Daw Kalyar Win Accounting Auditing & Consultancy Services, Myanmar	Myanmar Branch Auditors

b) Secretarial Auditor

The Company has appointed M/s. MNK and Associates LLP as Secretarial Auditor for the Year 2023-24 in compliance to the provisions of section 204 of the Companies Act, 2013 read with Rule 9(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Secretarial Standards issued by ICSI:

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

c) Cost Auditor

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

The Company has appointed M/s. Anuj Kumar & Co. as Cost Auditor for the financial year 2023-24 in compliance with the provisions of Section 148 of the Companies Act, 2013.

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

24. 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 2023-24 and reply to comments on accounts is annexed to this report.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report for the year 2023-24 and reply to comments is annexed to this report.

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

During the year 2023-24, no loan, guarantee or investment under section 186 of the Companies Act, 2013 have been made.

26. 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:

26.01 Energy Efficiency and its Conservation –

To reduce the harmful effects on the environment and ecology, EPI has always placed a high

priority on the use of energy-efficient technology in its offices and in many project sites that have been entrusted for its execution. A grid-tied solar array has been installed on the roof-top of EPI's Corporate Office.

For increased efficiency and reduced power consumption, EPI uses a range of energy-saving technologies, such as BMS in the HVAC system, LED lights, capacitor banks, sensor-based indoor lighting, timer-based outdoor lighting, DG set synchronization, solar street lights, and automation in industrial projects.

We also use the following strategies to save energy in distribution lines in order to prevent energy losses:

- a) **Phase Load Balancing:** In case of unbalanced load on a phase sequence, the transformer, cable, circuit, and motor will get overheated resulting in an increase in losses and further leading to motor failure in the case of asymmetric voltage situations. To avoid this, EPI tries to balance the load evenly across all phases.
- b) **Energy conservation with a Power Factor Controller:** Due to low power factor, current will rise and results in an increase in losses and decrease in voltage. We use capacitor banks on the HT and LT sides as power factor controller.
- c) **Automation via PLC:** We use PLC completely automatic technology to execute industrial projects involving the processing of raw materials.
- d) **Building Management Systems** for a range of data center and airport projects.
- e) **Restricting the voltage drop** at the equipment's receiving end to prevent losses.

26.02 [Technology Absorption](#)

a) **Research and Development**

Given the nature of EPI's work, there is little area for R&D operations because the company completes projects according to client specifications. However, EPI has actively promoted cutting-edge technology for faster and more cost-effective construction, such as prefabrication, the Glass Fibre Reinforced Gypsum (GFRG) System, the Light Gauge Sheet Framed Structure (LGSF System), neutral technology in addition to the traditional RCC Framed Structure, i.e. precast, modular monolithic concreting using the Aluma formwork system, and others.

EPI has developed an internal design for Data Centres. EPI has created in-house excel software for Cables & Switchgear Calculations that assists in determining the exact size of cable & switchgear.

b) **Technology Absorption**

The company constantly strives to develop design and technology in construction. Under the Smart Cities Mission (SCM), projects such as affordable housing, integrated multimodal transit, creation and maintenance of open spaces, waste bins and traffic management, and modernization of railway stations and airports are being implemented.

To monitor international border intrusion and human trafficking, EPI has used a border control infrastructure and system for international projects that combines physical and electronically controlled barriers, real-time video surveillance and an intelligence system that uses sensors, optical fibers, optical cables and HRC cameras.

c) Information Technology and Enterprise Resource Planning (ERP)

Your company EPI has taken advantages of IT leveraging and implemented Software applications for various functions such as Salary, Accounting, Engineering, Project Management etc. Biometric Attendance System (Face Recognition), Online Recruitment System, E-Procurement system, E-Office system is implemented for file movement, Online Circular Portal, Fresh Bi-lingual EPI's website etc. are introduced to increase efficiently and improvement of transparency.

The ERP-SAP for modules HR & Payroll, Financial Management and Document Management have been running successfully.

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

26.03 Foreign exchange earnings and outgo

During the year 2023-24, the Company earned a foreign exchange of ₹2,442 Lakhs against ₹ 4,643 Lakhs in the Financial year 2022-23. The expenditure incurred in Foreign Exchange is ₹2,649 Lakhs in 2023-24 against ₹5,481 Lakhs in 2022-23.

27. QUALITY, HEALTH AND SAFETY MANAGEMENT

Your company have been awarded certificates for its Quality Management System, Environment Management System and Occupational Health and Safety Management System i.e. ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 for all its areas of operations. EPI is one of the first few companies to have been awarded ISO/IEC 27001:2013 for Information Security Management System.

28. 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.

29. CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY

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

30. INTERNAL FINANCIAL CONTROL

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

31. CEO/CFO CERTIFICATION

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

32. DEPOSITS

During the year 2023-24, your company has not invited any Deposits covered under or which are not in compliance with the requirements of Companies Act, 2013.

33. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

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

35. ANNUAL RETURN

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

36. ACKNOWLEDGEMENT

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

For and on behalf of the Board

Sd/-

(Shivendra Nath)

Chairman & Managing Director

DIN: 10397812

Date: 25th July 2024

Place: New Delhi



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

EPI is a construction company which caters to the infrastructure development of the Nation. Infrastructure is a key driver of the overall development of a country and more so in a developing economy like India.

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

For development of Nation, Government has embarked upon many initiatives to boost the infrastructure in India in major sectors viz. Health sector, Infrastructure & logistics, Oil & Gas, Aerospace, Defence, Industrial products, Technology, Media & Telecom, Power and Mining etc.

In order to elevate its growth, EPI has adopted the following strategies as part of the development plan:

- Strengthening the in-house design and engineering capability to meet the technical advancement and to cater the changes in the technology.
- Updating the work force to cater the project requirement.
- Selection of contractors based on skills and expertise.

SWOT Analysis

STRENGTH AND WEAKNESS

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

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

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

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

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

EPI has identified various thrust areas for diversification through the following projects:

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

Further, the engineers of EPI are attuned to the scheme of working as per International Standards as EPI has executed many projects in overseas countries viz. Kuwait, Iraq, Saudi Arabia, Maldives, Thailand, Yugoslavia, Bhutan, UAE and keep the momentum high to cater the best services.

OPPORTUNITIES AND THREATS

EPI faces following challenges and threats:

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

However these challenges present new opportunities for the organization. The construction industry is the second largest industry in India after agriculture. It accounts for about 11% of India as GDP. There is robust demand in this sector. As India aspires to become a USD 5 trillion economy by 2024-25, the country needs to spend about USD 1.4 trillion on infrastructure which is exemplified by increase in public spending on infrastructure and embarking on new modes of PPP financing.

The Hon'ble Prime Minister under the 'Atmanirbhar Bharat' has laid great emphasis on a self-reliant India wherein the two out of the five pillars highlighted by him pertain to modern infrastructure and new technology driven methods. EPI is also putting its optimum efforts to be a key player in implementing the 'Atmanirbhar Bharat' vision by imbibing necessary changes and innovations in fulfilling the infrastructure needs of the country. As a prime Consultancy & Contracting Company, EPI has proved its expertise and experience in virtually every needy sector. The company undertakes all its projects with a committed passion for excellence and full customer satisfaction. EPI, since its inception in 1970, has executed projects of diverse nature such as Hospital Cum Medical College Buildings, Institutional Complexes, Universities, Commercial Buildings, Housing Complexes, Bridges, Water Supply Systems, Canals, Infrastructure Development Works, Power Plants, Process Plants, Industrial Plants, Material Handling Systems and Sports Stadia etc.

EPI already has a good credential in Medical infrastructure through construction of medical colleges and hospitals. EPI has recently bagged the work for Construction of New Medical College Building at various states of Maharashtra as a PMC.

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

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

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

With ever increasing focus on green economy and to accomplish the sustainable development goals, green technologies like the flue gas desulphurization (FGD) system will be in demand. With total

installed thermal power capacity of over 2 lakh megawatt the estimated market potential of FGD system is around INR 1 lakh crores. EPIL has already positioned itself in various tendering rounds as a serious contender in this field.

SEGMENT WISE AND PRODUCT WISE PERFORMANCE

Housing & Building works including Hospital Projects segment has the highest contributor with 49.16% of share to the turnover of the Company during financial year 2023-24, followed by Infrastructure Projects including Roads & Bridges segment whose percentage share is 22.36%. There is increase in the percentage share of Water Supply & Environmental Schemes Segment as compared to last year from 3.79% to 11.61%.

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

(Rs. In Crores)

Sl. No.	Segments of Projects	2021-22		2022-23		2023-24	
		Turnover	%	Turnover	%	Turnover	%
1	Housing & Building Works including Hospital Projects	389.82	52.95	557.17	49.22	414.89	49.16
2	Dams & Irrigation Projects	20.15	2.74	28.45	2.51	0.02	0.00
3	Industrial, Process Plant, Material Handling, Electrical and Border Management Projects	199.21	27.06	236.07	20.86	90.51	10.72
4	Water Supply & Environmental Schemes	1.89	0.26	42.84	3.79	97.96	11.61
5	Infrastructure Projects including Roads & Bridges	113.62	15.43	189.51	16.74	188.69	22.36
6	Other Projects	11.48	1.56	77.92	6.88	51.90	6.15
	Total	736.17	100.00	1131.96	100.00	843.97	100.00

OUTLOOK

The goal for the company is to become a profitable dividend paying company with a MoU Rating- 'Excellent'. The long term vision is to become a 'Mini Ratna Schedule-A Company' with qualification of 'Navratna'.

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

a price and quality leader in the construction industry.

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

SOFTWARE DEVELOPMENT PROJECTS: EPI is looking forward for opportunities to enter into a new field related to software engineering by exploring the few development projects pertaining to designing and managing dashboards etc.

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

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

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

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

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

FLUE GAS DESULPHARIZATION (FGD) SYSTEM IN THERMAL PLANTS: It entails construction of flue gas desulphurization system including erection, supervision, and pre-commissioning, commissioning, performance testing of equipment including all associated electrical, control & instrumentation, civil, structural and architectural works.

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

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

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

DREDGING AND DESILTING: EPI is exploring project opportunities in the field of dredging projects in India and Overseas for various Clients through expression of Interest from companies/firms for

technological tie ups / association/ JV / Consortium etc. to participate in upcoming Dredging/ Desilting projects of River, Sea and Dams etc. in India and Overseas.

TORREFACTION TECHNOLOGY DEVELOPER (TTD): EPI intends to take up the upcoming TTD Projects in India and Overseas for various Clients projects in India and Overseas for various Clients through expression of Interest from companies/firms for technological tie ups / association/ JV / Consortium etc. to participate in upcoming TTD projects of thermal power plants.

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 2023-24, No Regular employee was recruited and 7 nos of fixed term employees were recruited in the year 2023-24. However, one fixed term employee resigned during the period 2023-24.

Also the Company makes all necessary efforts to develop technical and managerial skills of employees by conducting several in-house and external training programmes, seminars and workshops at all levels. In the financial year 2023-2024, total 115 numbers of in-house training mandays was conducted and 21 numbers of external training mandays were conducted.

ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, FOREIGN EXCHANGE CONSERVATION

• **Environmental Protection & Conservation**

In our capacity as a Project Management Consultancy & Construction Company, EPI is committed to actively pursuing FGD projects, which lower SO₂ levels in the air in Thermal Power Plants to allowable limits; supplying DS & DE systems for settling dust particles to improve air quality in the Process Industry; supplying pressurized ventilation to enhance human life in Tunnels & Sub-stations; and supplying STP (Sewage Treatment Plant)/ WTP (Water Treatment Plant) in Residential and Hospital Projects.

Utilizing flyash bricks and Portland pozzolana cement as building materials, planting trees, recycling waste water and effluent treatment systems, solar energy, light sensors, dimmable lights, thermal insulation, and water tanker spraying during construction are just a few of the energy-efficient and environmentally friendly methods used to reduce pollution at EPI sites. The business also takes many other environmental measures, such as regulating noise pollution, water waste, smoking, oil and grease leaks, and other problems in addition to planting trees. Energy and environmental savings resulted from the company's implementation of the project, which adhered to Green Rating for Integrated Habitat Assessment (GRIHA) guidelines. At several project areas, environmentally friendly equipment is also being used such as solar lights, building insulations, bio-degradable materials, etc.

The following steps were taken for the protection and conservation of The Environment:-

1. Tree Plantation Drives were conducted at the following sites:-

- i. NIPER Project, Guwahati on 06th June 2023,
 - ii. NHIDCL Road Project, Manu, Tripura on 12th July 2023,
 - iii. PGCIL Project, Tripura on 14th August 2023,
 - iv. TTDCL Project, Agartala, Tripura on 12th August 2023,
 - v. THCB Project, Agartala, Tripura on 11th August 2023,
 - vi. Mizoram University Project, Aizawl (Mizoram) on 16th October 2023.
2. During the special campaign, the efforts were undertaken for utilization of un-used office space at NERO and its Site Offices.

● **Technological Conservation**

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

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

Foreign exchange conservation

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

For optimal utilization 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 the Company are appointed by the President of India through Administrative Ministry (i.e. Ministry of Heavy Industries).

The Board comprises of 3 Functional/Whole Time Directors, 2 Government Nominee Directors and 3 Independent Directors. As on 31st March 2024, one positions of Functional Director viz. Director (Projects) was lying vacant. Administrative Ministry is seized/capped of the above position.

(B) Details of the composition of the Board of Directors, category of the Director, attendance at the Board Meeting & Annual General Meeting (AGM) and other Directorships during the financial year 2023-24 are given below:

Name of Directors	Category	Board Meeting Attended	Attendance at the last AGM held on 26.09.2023	No. of Directorships in Other Public Companies (excluding EPI)	Tenure
(a) Whole Time / Functional Directors (including Additional Charge)					
Shri Shivendra Nath DIN:10397812	Chairman & Managing Director	2/4	NA	2 (HSL/SSL)*	w.e.f. 20.11.2023
Shri Sanjay Banga DIN: 09353339	Chairman & Managing Director (Additional Charge)	1/1	NA	1 (CCI)*	w.e.f. 01.10.2023 till 20.11.2023
Shri D. S. Rana DIN: 07022825	Chairman & Managing Director and Director (Projects)[Addl. Charge]	1/1	Yes	-	till 30.09.2023

Shri Dibendu Das DIN:10234285	Director (Finance)	4/4	yes	-	w.e.f. 11.07.2023
Shri Raj Pal Singh DIN: 08750557	Director (Finance) [Addl. Charge]	NA	No	1 (CCI)*	till 24.06.2023
(b) Govt. Nominees/ Part-Time Official Directors					
Shri Rajesh Kumar Chief Controller of Accounts (CCA), MHI DIN: 09403746	Director	3/4	Yes	3 (HECL, HMTMTL, B&R)*	w.e.f. 01.11.2021
Ms. Mukta Shekhar Joint Secretary, MHI DIN:10118859	Director	4/4	Yes	8 (HMTMTL, HMT(I)L,HMT, HMTWL,B&R, REIL,CCI,NEPA)*	w.e.f. 10.04.2023
Dr Renuka Mishra Economic Advisor (EA), MHI DIN: 08635835	Director	N.A.	N.A.	7 (H.M.T, HMTMTL, NEPA, HECPL, HMT(I)L REIL,CCI)*	till 10.04.2023
I Independent Director/Part Time (Non-Official) Director					
Shri Vinod Kumar Yadav Part Time Non- Official Director DIN: 06375196	Director	4/4	Yes	Nil	w.e.f 02.11.2021
Smt. Akanksha Pare Part Time Non- Official Director DIN: 09394630	Director	4/4	No	Nil	w.e.f 02.11.2021
Shri Ashok Shanakararo Mendhe Part Time Non- Official Director DIN: 10073305	Director	4/4	Yes	Nil	w.e.f. 07.03.2023

*Abbreviations used:

B&R - Bridge & Roof Company (India) Limited
HMTMTL - HMT Machine Tools Ltd.
CCI - Cement Corporation of India Limited
HMT(I)L - H.M.T. (International) Limited
HMTWL - HMT Watches Limited
SSL - Sambhar Salts Limited

HECL - Heavy Engineering Corporation Ltd.
NEPA - NEPA Ltd.
REIL - Rajasthan Electronics and Instruments Ltd
HMT - H.M.T. Limited
HSL - Hindustan Salts Limited

Notes:

Following changes took place in the Directorship during the year 2023-24 and thereafter till the date of this report:

1. MHI vide Order No. 8-08(1)/2020-PE-VIII / CPSE-III(E-21792) dated 23.07.2024 nominated Dr. Renuka Mishra, Economic Adviser (EA), MHI as the Government Nominee Director in Engineering Projects (India) Limited (EPIL) vice Ms. Mukta Shekhar, Joint Secretary (JS), MHI.
2. MHI has extended the entrustment of the Additional Charge of the post of Director (Finance), EPIL to Shri R. P. Singh, GM (Finance & Accounts), Bharat Heavy Electricals Ltd. (BHEL) for a period of six months i.e. w.e.f. 15.03.2022 to 14.09.2022 or till a regular incumbent joins the post of until further orders, whichever is the earliest. Thereafter the tenure was further extended w.e.f. 15.09.2022 to 24.06.2023 (date of his superannuation) or appointment of regular incumbent or a till further orders, whichever is the earliest. The tenure of Shri R. P Singh completed on 24.06.2023.
3. MHI vide Order No. 8-08(1)/2020-PE-VIII / CPSE-III(E-21792) dated 10.04.2023 nominated Ms. Mukta Shekhar, Joint Secretary, MHI as the Government Nominee Director in Engineering Projects (India) Limited (EPIL) vice Dr. Renuka Mishra, Economic Adviser (EA), MHI.
4. MHI vide Order No. 12-16/3/2021-TSW(E-23364) dated 03.07.2023 had appointed Shri Dibendu Das, General Manager (GM), Security Printing and Minting Corporation of India Limited (SPMCIL) as Director (Finance), EPIL for a period of five years with effect from the date of his assumption of charge of the post, or till the date of his superannuation, or until further orders, whichever is the earliest. Shri Dibendu Das, Director (Finance) assumed charge on 11.07.2023.
5. MHI vide order No. 12-16/4/2017-TSW/CPSE-III (E-12883) dated 06.10.2023 has given additional Charge of the post of Chairman and Managing Director, Engineering Projects India Limited (EPIL) to Shri Sanjay Banga, Chairman and Managing Director, Cement Corporation of India for a period of three months with effect from 01.10.2023 to 31.12.2023 or till further orders, whichever is earliest subject to approval of ACC. Further, the tenure of Shri Sanjay Banga completed on 20.11.2023 pursuant to MHI Order dated 06.10.2023.
6. MHI vide order No. 12-16/4/2017-TSW (e-12883) dated 07.11.2023 has appointed Shri Shivendra Nath, Senior General Manager (SGM), Bharat Sanchar Nigam Limited (BSNL) to the post of Chairman and Managing Director (CMD), Engineering Projects India Limited (EPIL) for a five years with effect from the date of his assumption of charge of the post, or till the date of his superannuation, or until further orders, whichever is the earliest. Shri Shivendra Nath assumed his charge on 20.11.2023.
7. Further, MHI vide Order No. 12-16/3/2022-TSW dated 6th March 2024 has entrusted the additional charge of the post of Directors (Projects), EPIL to Shri Shivendra Nath, CMD, EPIL for a period of six months w.e.f. 20.11.2023 or till regular incumbent joins the post or till further orders, whichever is the earliest. His tenure as Director (Projects)- Additional Charge ended on 05.04.2024 as Shri Sunil Dahiya, Director (Projects) assumed charge on 05.04.2024.

8. MHI vide Order No. 12-16/2/2017-TSW(e-12357) dated 01.04.2024 had appointed Shri Sunil Dahiya, Senior General Manager (SGM), Engineers India Limited (EIL) as Director (Project), EPIL for a period of five years with effect from the date of his assumption of charge of the post, or till the date of his superannuation, or until further orders, whichever is the earliest. Shri Sunil Dahiya, Director (Projects) assumed charge on 05.04.2024.

(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 and 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 2023-24, Four (4) meetings of the Board of Directors were held, the details of which are given below:

Sl. No.	Date of Meeting	Board Strength	No. of Directors Present
1.	20.07.2023	7	7
2.	19.10.2023	7	7
3.	31.01.2024	7	6
4.	28.03.2024	7	7

(E) Meeting of Independent Directors

Ministry of Corporate Affairs vide Notification dated 5th July, 2017 has exempted Government Companies from applicability of clause (a) and (b) of sub-paragraph (3) of paragraph VII of Schedule IV of the Companies Act, 2013 which requires that the Independent Directors in their separate meeting shall review the performance of non-independent directors and the Board as a whole and performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors.

In compliance to Schedule IV of Companies Act, 2013- Code for Independent Directors, a Separate Meeting of Independent Directors was held on 21st November 2023 at EPI's Corporate Office, New Delhi (without the attendance of functional Directors, Government Directors or members of the management). In this meeting, Independent Directors assessed the quality, quantity and timeliness of flow of information between the Company management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

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

(i) Shri Shivendra Nath, Chairman & Managing Director

Shri Shivendra Nath has assumed the charge of Chairman and Managing Director of Engineering Projects India Ltd with effect from 20th November 2023. Prior to this he was working as Senior General Manager / Sr. Chief Engineer (Civil) in BSNL.

Shri Shivendra Nath is an Engineering Graduate and Post Graduate from University of Roorkee (now it is IIT Roorkee). He has done his MBA from Birla Institute of Technology, Ranchi. Shri Shivendra Nath has 27 years' Post Qualification experience of working in PSU / Central Govt / State Govt. in the field of Infrastructure Development, City Planning, Bid Process Management , Leading Design Team, Contract Management, Arbitration Matters, Maintenance of Telecom Services, Monetization of Asset, Automation of City Utility Services, Financial Closure of City Projects. As Sr. General Manager telecom in BSNL, He worked on (a) Maintaining the Mobile, Lease Line, Broadband, FTTH and other telecom service in the division (b) Marketing and Business Development of BSNL Services (c) Implementation of Govt. of India USOF funded project. As Chief Engineer (Civil) & GM (HR) BSNL, Shillong (in-charge of three state Meghalaya, Tripura & Mizoram)- Actively engaged in Monetization of BSNL assets, Civil related project works and HR related works . He worked extensively in the field of Urban Infrastructure Development, City Planning during his tenure at Naya Raipur (a greenfield capital city of Chhattisgarh-area equivalent to city of Chandigarh). He has worked in the field of city level water supply, City Level Sewage Treatment Plant, Solid Waste Management Business Plan for the city, Automation of utility services. He led the team for preparation of DPR of smart city development of Naya Raipur. It was the first of its kind in India at that time. It was inaugurated by Hon'ble Prime Minister in year 2016.

(ii) Shri Dibendu Das, Director (Finance)

Shri Dibendu Das has assumed the charge of Director (Finance) of Engineering Projects (India) Ltd w.e.f. July 11, 2023. Prior to this, he was working as General Manager (F&A), Security Printing & Minting Corporation of India Ltd. (SPMCIL) since Nov 02, 2017. Shri Das is a B.com Graduate and Fellow member of The Institute of Chartered Accountants of India and Associate member of The Institute of Cost Accountants of India.

Shri Das is having around 29 years post qualification experience of working in PSU and Private Sectors in Industries like Steel, Infrastructure, Manufacturing and Power Sector. He has worked with companies like SAIL, BEML, IL&FS and Hindustan Power Projects.

Shri Das has worked extensively in the areas of Costing, Budget, MIS, Accounts, Taxation, Financial due diligence and appraisal of new projects. He has implemented SAP during his tenure in Private Companies. He has the experience of starting Finance & Accounts department from scratch. He was also involved in making policy documents like Accounts Manual, HR Manual, Cost Manual etc. He was actively involved in making systemic improvement in organizations he worked in. He has worked in PPP projects relating to waste management projects like Compost making, Construction & Demolition waste, Waste to energy plants etc. He was conferred with "Next 100 CFO" award in 2012 which was awarded to upcoming CFO's.

(iii) Shri Sunil Dahiya, Director (Projects)

Shri Sunil Dahiya has assumed the charge of Director (Projects) of Engineering Projects (India) Ltd w.e.f. April 05, 2024. Shri Sunil Dahiya graduated in Civil Engineering from Birla Institute of Technology & Science, Pilani (Raj) and started his career as Management trainee with Engineers India Ltd. in 1992.

He has more than 31 years of rich & diverse experience in project & construction management in Oil sector (Refinery & Petrochemicals) & Infrastructure sector projects for Central Government/ CPSE's & Private Clients in various modes of execution i.e. EPCM, PMC, PMC (on deposit concept). He has varied construction management experience in process units, Utilities Facilities such as Raw Water Treatment Plant, RODM Plant, Effluent Treatment Plant, Nitrogen & Instrument Air Plant, Cooling Towers, Double Wall Storage Tankages for Cryogenic Products, Demountable Flare System, Mounded Bullets for Storage Petroleum Products, Petroleum Storage Tankages, Automatic Storage & Retrieval System (ASRS) Warehouse, Utilities Boilers & Associated Works, Steam Turbine Generation & Associated Works, Circulating Fluidized Bed Combustion (CFBC) Boilers & Associated Works, 220KVA Gas Insulated Switchyard, Non-plant Buildings – Administrative Bldg./cafeteria/health Centre/fire Station/laboratory / Electrical Sub-stations Etc., Distributed Control Systems, SCADA (Supervisory Control & Data Acquisition) & Leak Detection System for pipelines. He has successfully led Multi-disciplinary teams at Guru Gobind Singh Refinery Polymer Addition Project at Bathinda (Punjab) and HPCL-Rajasthan Refinery Ltd. Project, Barmer (Rajasthan). As part of the Strategic Business Group he has contributed significantly in company's diversification in Infrastructure Sector. He has Multi-faceted experience in project management of Infrastructure Projects involving University Campus Developments, Multistoried office Complexes, Oil Sector R&D Complex, Biotech Science R&D Complex, Mega Residential Complex, Interceptor Sewer System. He has rich experience of conducting third party Inspections and Internal Technical Audits at construction sites.

(iv) Dr. Renuka Mishra, Economic Advisor (EA), MHI and Part Time Official Director

Dr. Renuka Mishra is an officer of Indian Economic Service (2003 Batch) and has been appointed as Part Time Official Director of EPI as nominee of Govt. of India pursuant to MHI Order dated 23.07.2024.

She has previously served in offices of Government of India at Office of Development Commissioner (MSME), Department of Economic Affairs, Department of Commerce, Ministry of Overseas Indian Affairs and Department of Higher Education.

She has been regular author of many articles/papers published in various journals/magazines on the areas covering taxation, forestry, renewal energy, climate change and vulnerability of women.

Presently she is posted as Economic Adviser (EA) in Ministry of Heavy Industries (MHI), New Delhi.

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

Shri Rajesh Kumar has been appointed as Part Time Official Director of EPI as nominee of Govt. of

India pursuant to MHI Order dated 01.11.2021. Shri Rajesh Kumar is an ICAS Officer of 1994 Batch with a Master Degree of Philosophy from Delhi University. Presently he is posted as Chief Controller of Accounts, Ministry of Heavy Industry, GOI.

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

Smt. Akanksha Pare has been appointed as Part Time Non Official Director on the Board of Company pursuant to MHI Order dated 02nd Nov 2021. Smt. Akanksha Pare is a Post Graduate holding a Master Degree in Journalism and Mass Communication (MJMC) from Utrakhand Sanskrit University. She is having 15 years of experience in Journalism and Mass Communication and presently associated with 'Outlook Magazine' as Assistant Director. Earlier she was associated with Webdunia, Dainik Bhaskar, Malayalam Manorama (Vanita).

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

Shri Vinod Kumar Yadav has been appointed as Part Time Non Official Director on the Board of Company pursuant to MHI Order dated 02nd Nov 2021. Shri Vinod Kumar Yadav is a B.Ed qualified from Purvanchal University, Juanpur, Uttar Pradesh.

(viii) Shri Ashok Shankarrao Mendhe, Part Time Non-Official Director

Shri Ashok Shankarrao Mendhe has been appointed as Non official Independent Director on the Board of Company Pursuant to MHI order Dated 07th March 2023. Before this he had been appointed as a Vice- Chairman of Dr. Ambedkar Foundation under the Ministry of Social Justice and Empowerment, Govt. Of India. He had completed his Graduation in Social Work from Nagpur University. He has thorough knowledge of Indian Constitution. He is associated with many Organized and Unorganized Sectors association/ Organisation and also known as Social activist. He is well acquainted with Labour Problems and its Legislation. He is having Experience in Administration and Personal Department.

(G) Appointment of Directors

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

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

3. COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective Committee

informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees and subsidiary company are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate. The Board has currently established Committees as per Companies Act, 2013. Further the composition of committees has been reconstituted after the appointment of Independent directors.

i. **AUDIT COMMITTEE**

The present Composition of Audit Committee is as under:

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

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

Notes:

- Shri. Vinod Kumar Yadav is Chairman w.e.f 17.11.2021
- Smt. Akanksha Pare is Member w.e.f 17.11.2021
- Shri. Rajesh Kumar is Member w.e.f. 17.11.2021
- Shri Ashok Shankarrao Mendhe is Member w.e.f. 20.07.2023

During 2023-24, the Committee had three meetings on 20.07.2023, 31.01.2024 and 28.03.2024. The attendance details are as under-

Member	No. of Meetings held during their respective tenure	No. of Meetings attended
Shri Vinod Kumar Yadav – Chairman	3	3
Smt. Akanksha Pare- Member	3	3
Shri Ashok Shakarrao Mendhe-Member	2	2
Shri Rajesh Kumar-Member	3	2

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, performance and effectiveness of audit process.
3. Examination of the financial statement and the auditors' report thereon.

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

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

- d. To secure attendance of outsiders with relevant expertise, if it considers necessary.
- e. To protect whistle blowers.

30. The Audit Committee shall review the following information:

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

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

ii. CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY COMMITTEE

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

Presently, the Committee has following members:	
1. Shri. Ashok Shankarrao Mendhe, Independent Director	Chairman
2. Smt. Akanksha Pare, Independent Director	Member
3. Shri. Vinod Kumar Yadav, Independent Director	Member
4. Shri Dibendu Das, Director (Finance)	Member

Notes:

- Shri. Ashok Shankarrao Mendhe is Chairman w.e.f. 20.07.2023
- Smt. Akanksha Pare was Chairperson upto 20.07.2023 and is Member w.e.f. 20.07.2023
- Shri. Vinod Kumar Yadav is Member w.e.f. 17.11.2021
- Shri R. P. Singh, Director (Finance) was Member upto 24.06.2023
- Shri Dibendu Das, Director (Finance) is Member w.e.f. 20.07.2023

During 2023-24, the Committee had a meeting on 20.07.2023 and the attendance details are as under-

Member	No. of Meetings held during their respective tenure	No. of Meetings attended
Smt. Akanksha Pare - Chairperson	1	1
Shri Vinod Kumar Yadav-Member	1	1
Shri Dibendu Das – Member	1	1

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

iii. REMUNERATION COMMITTEE

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

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

1. Smt. Akanksha Pare, Independent Director	Chairperson
2. Shri. Vinod Kumar Yadav, Independent Director	Member
3. Shri. Ashok Shankarrao Mendhe, Independent Director	Member
4. Shri. Rajesh Kumar, Part Time Official Director	Member

Notes:

- Smt. Akanksha Pare is Chairperson w.e.f. 17.11.2021
- Shri. Vinod Kumar Yadav is Member w.e.f. 17.11.2021
- Shri. Rajesh Kumar is Member w.e.f. 17.11.2021
- Shri. Ashok Shankarrao Mendhe is Member w.e.f. 20.07.2023

During 2023-24, the Committee had a meeting on 28.03.2024 and the attendance details are as under-

Member	No. of Meetings held during their respective tenure	No. of Meetings attended
Smt. Akanksha Pare – Chairperson	1	1
Shri Vinod Kumar Yadav-Member	1	1
Shri Ashok Shankarrao Mendhe-Member	1	1
Shri Rajesh Kumar - Member	1	1

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. 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 ₹909.40 Crores (divided into 909,404,600 equity shares of ₹10/- each) and ₹35.42 Crores (divided into 35,422,688 equity shares of ₹10/- each) respectively.

The shareholding pattern of the Company as on 31st March 2024 is as under:

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

*under liquidation

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

RISK MANAGEMENT

Your Company has amended a Risk Management Policy as per ISO 31000:2018. Risk Management is an integral part of good management. The application of sound risk management allows for continual improvement and greater certainty in decision making. The end result is that there is a better chance that Organization objectives are met. Risk Management Policy has been developed to assist in establishing and maintaining an effective risk management framework for your Company.

The Key objectives of the Risk Mangement Policy is to ensure that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated and managed; to establish a framework for the company's risk management process and to ensure Company wide implementation; to ensure proactive rather than reactive management; to enable compliance with appropriate regulations, wherever applicable, through the adoption of best

practices; to provide assistance to and improve the quality of decision making throughout the organization and to assure business growth with financial stability.

During the year, your Company has also amended its Risk Management Policy and in accordance with the Risk Management Policy, the Governance Structure consist of the Risk Management Committee (RMC), Chief Risk Officer (CRO), Risk Owners and Risk Coordinators (RO/RC) etc. The policy also defines the Roles and Responsibilities of Board of Directors, Audit Committee, Risk Management Committee (RMC), Chief Risk Officer (CRO), Risk Owners (RO), Risk Coordinators (RC) and Internal Auditors.

5. DISCLOSURES

i) Details of the remuneration paid to the functional Directors and sitting fees paid to Independent Directors during the year 2023-24 are as under:

A: Functional/Whole-time Directors:

(₹ in Lakhs)

Name of Directors	Salary	Benefits	Performance Linked Incentives	Total
Shri Shivendra Nath, Chairman & Managing Director	16.03	0.14	-	16.17
Shri. D. S. Rana, Chairman & Managing Director (upto 30.09.2023)	65.06	0.16	-	65.22
Shri Dibendu Das, Director (Finance)	28.43	0.24	-	28.67

B: Independent Director:

During the Year 2023-24, Three Independent Director was on the Board of the Company. Details of Sitting Fees was paid during the year as mentioned below:

(Rs. in Lakhs)

Name of Directors	Sitting fees		Fees for Independent Directors' Meeting	Total
	Board Meetings	Committee Meetings		
Smt.Akanksha Pare	0.60	0.50	0.15	1.25
Shri Vinod Kumar Yadav	0.60	0.50	0.15	1.25
Shri Ashok Shankarrao Mendhe	0.60	0.30	0.15	1.05

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

- ii) All the directors are appointed by the Government of India in fixed pay scales. Accordingly, CMD is appointed in the revised schedule "B" scale of pay of ₹1,80,000-3,20,000 (IDA), Directors are appointed in the revised schedule "B" scale of pay of ₹1,60,000 -2,90,000/- of IDA pattern. Their other terms and conditions of appointment are also fixed by the Ministry of Heavy Industries, Government of India.
- 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 matter which is under appeal before appellate authority except as reported in Note no 2.26 of Notes to the Accounts.
- vii) The Company is complying with all the requirements of the Guidelines on Corporate Governance for CPSEs issued by the DPE except as reported in Corporate Governance Certificate vis a vis MR-3.
- viii) During the year, Presidential Directives relating to reservation of EWS and pay revision w.e.f. 01.01.2017 is being followed & implemented.
- ix) During the year, no expenditure is debited to the books and accounts which are not for the purpose of business and no expenses which are of personal nature have been incurred for the Board of Directors and Top Management.
- x) Fraud Prevention Policy is in place in the Company since September 2010 for prevention, detection, and reporting of fraud.
- xi) Other expenses as a percentage of total expenses (excluding depreciation & Finance Cost) has been 3.78% as compared to 2.35% in 2022-23. Finance Cost as a percentage of total expenses (excluding depreciation & Finance Cost) has been 1.07% compared to 0.34% in 2022-23.
- xii) A certificate by Chief Executive Officer (CEO)/Chief Financial Officer (CFO) of the Company with respect to the financial statements of the company is placed as Annexure B1.
- xiii) Website of the company (www.epi.gov.in) displays the official news release of the company like Annual Report, tenders, and career opportunities etc.

6. GENERAL BODY MEETINGS:

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

AGM	Financial Year	Date and Time of AGM	Location (Registered Office)
53 rd	2022-23	September 26 th , 2023 at 3:00 P.M	Core-3, SCOPE Complex, (4 th Floor), 7 Lodhi Road, New Delhi-110003
52 nd	2021-22	September 27 th , 2022 at 3:30 P.M.	Core-3, SCOPE Complex, (4 th Floor), 7 Lodhi Road, New Delhi-110003
51 st	2020-21	December 28 th , 2021 at 3:30 P.M. (Adjourned on 31 st December 2021 at 3:00 P.M.)	Core-3, SCOPE Complex, (4 th Floor), 7 Lodhi Road, New Delhi-110003

Notice of 54th Annual General Meeting for the financial year 2023-24 will contain details about date, time of the AGM.

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

AGM	Financial Year	Details of Special Resolution passed
53 rd	2022-23	NIL
52 nd	2021-22	NIL
51 st	2020-21	NIL

7. RIGHT TO INFORMATION

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

Information to all the RTI applications received during the year has been provided as per provisions of RTI Act, 2005.

The data with respect to RTI applications during the F.Y.2023-24 is as given below:-

(in Nos.)

1.	RTI application pending at the end of March 2023	5
2.	RTI application received during the F.Y. 2023-24	78
3.	RTI application disposed off during the F.Y. 2023-24	81
4.	RTI application pending at the end of March 2024	2

8. MEANS OF COMMUNICATION WITH SHAREHOLDERS

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

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

9. AUDIT QUALIFICATIONS

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

10. TRAINING OF BOARD OF DIRECTORS

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

11. WHISTLE BLOWER POLICY

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

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

This policy was formulated in compliance to DPE guidelines on Corporate Governance. It also fulfills the requirement of section 177 of Companies Act, 2013 read with Companies (Meetings of Board and its powers) Rules, 2014 which provide for establishing a vigil mechanism for directors and employees to report genuine concerns or grievances.

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

12. CODE OF CONDUCT

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

13. COMPLIANCE CERTIFICATE

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

**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 2024 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 2023-24 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 2023-24;
 - b) Significant changes in accounting policies during the year 2023-24 and the same have been disclosed in the notes to the financial statements, if any; and
 - c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
(Dibendu Das)
Director (Finance) &
Chief Financial Officer
DIN:10234285

Sd/-
(Shivendra Nath)
Chairman & Managing Director &
Chief Executive Officer
DIN: 10397812

Date: 25th July 2024

Place: New Delhi

Annexure B2

DECLARATION BY CHAIRMAN & MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2023-24.

I, Shivendra Nath, Chairman & Managing Director, Engineering Projects (India) Limited, do hereby declare that all the Members of the Board of Directors and the Senior Management Team of the Company have affirmed their compliance of the Code of Business Conduct and Ethics of the Company during 2023-24.

Sd/-
(Shivendra Nath)
Chairman & Managing Director
DIN: 10397812

Date: 25th July 2024

Place: New Delhi



Annexure B3

AGB & Associates

Company Secretaries

FRN: I2011HR887800

Regd. Office: 5A/14 2nd Floor, BP, NIT

Faridabad-121001 (HR)

Email: agbcorplegal@gmail.com

Contact: 9811179921

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 provisions of Corporate Governance by **Engineering Projects (India) Limited**, (hereinafter referred as '**the Company**') for the year ended on **31st March, 2024** 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 provisions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in above-mentioned guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

- A. Clause 3.3.1** – *The gap between two consecutive Board Meetings (282nd and 283rd) and (284th and 285th) exceeded the prescribed timeline of three months.*
- B. Clause 4.4** – *Meeting of Audit Committee - The Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings. However, only three meetings were convened during the financial year 2023-24.*

For the above observations, it has been clarified by the management that due to the official exigencies the Board and Audit Committee meetings could not be held within the stipulated time period of 03 months in case of Board meeting and 04 months in case of Audit Committee meeting. However, the provisions as stipulated in the Companies Act, 2013 regarding Board / Committee meetings are complied with.

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

Place: Faridabad

Date: 29.04.2024

For AGB & Associates

Company Secretaries

PR No. 2668/2022

Sd/-

CS Rashmi Aswal

(Partner)

Membership No.:A50322

C.P. No. 24667

UDIN: A050322F000269301

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

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

1. Brief outline on CSR Policy of the Company:

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

CSR Vision

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

CSR Objective

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

2. Composition of CSR Committee:

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

Role of Board Level Committee is to-

- 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;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- monitor the Corporate Social Responsibility Policy of the company from time to time.

As on date of this report, the Board Level Corporate Social Responsibility & Sustainability Committee comprises:

1.	Shri Ashok Shankarrao Mendhe, Independent Director	Chairman
2.	Smt. Akanksha Pare, Independent Director	Member
3.	Shri. Vinod Kumar Yadav, Independent Director	Member
4.	Shri Dibendu Das, Director (Finance)	Member

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Smt. Akanksha Pare	Independent Director, Chairperson of the Committee (upto 20.07.2023) and Member (w.e.f. 20.07.2023)	1	1
2.	Shri Ashok Shankarrao Mendhe	Independent Director, Chairman of the Committee (w.e.f. 20.7.2023)	1	N.A.
3.	Shri Vinod Kumar Yadav	Independent Director, Member (w.e.f. 17.11.2021)	1	1
4.	Shri Dibendu Das	Director (Finance), Member (w.e.f. 20.07.2023)	1	1

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

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

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

Not applicable

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

NIL

6. Average net profit of the company as per section 135(5): Rs. (3331.12) Lakhs

- F.Y. 2020-21: Rs. (4683.01) Lakhs
- F.Y. 2021-22: Rs. (6180.86) Lakhs
- F.Y. 2022-23: Rs. 870.52 Lakhs



7.	(a)	Two percent of average net profit of the company as per section 135 (5)	Nil
	(b)	Surplus arising out of the CSR Projects or Programmes or activities of the previous Financial Years:	Nil
	(c)	Amount required to be set off for the Financial Year, if any	Nil
	(d)	Total CSR obligation for the Financial Year (7a + 7b + 7c)	Nil

8. (a) CSR amount spent or unspent for the Financial Year 2023-24

Amount Unspent (in ₹)					
Total Amount spent for the Financial Year 2021-22 (in ₹)	Total Amount transferred to Unspent CSR Account as per section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135 (5)		
	Amount (in ₹)	Date of transfer	Name of the Fund	Amount (in ₹)	Date of transfer
NIL	NIL	NIL	NIL	NIL	NIL

(b)	Details of CSR amount spent against ongoing projects for the financial year:	Nil
(c)	Details of CSR amount spent against other than ongoing projects for the financial year:	Nil
(d)	Amount spent in Administrative Overheads:	Nil
(e)	Amount spent on Impact Assessment, if applicable:	Nil
(f)	Total amount spent for the Financial Year (8b + 8c + 8d + 8e):	Nil
(g)	Excess amount for set off, if any:	Nil

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

9.	(a)	Details of Unspent CSR amount for the preceding three financial years :	Nil
	(b)	Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) :	Nil

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

(a)	Details of Unspent CSR amount for the preceding three financial years :	Nil
(b)	Amount of CSR spent for creation or acquisition of capital asset :	Nil

- | | | |
|-----|--|-----|
| (c) | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: | Nil |
| (d) | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : | Nil |

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

Sd/-
(Shri Dibendu Das)
Member- CSR Committee
DIN: 10234285

Sd/-
(Shri Ashok Shankarrao Mendhe)
Chairman- CSR Committee
DIN: 10073305

Date: 25th July 2024

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/-

(Shivendra Nath)

Chairman & Managing Director

DIN: 10397812

Date: 25th July 2024

Place: New Delhi

SECRETARIAL AUDIT REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

From April 01, 2023 to March 31, 2024

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

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

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we do hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on March 2024 according to the provisions of:

- (i) The Companies Act, 2013 (“the Act”) and the Rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder; **Not Applicable**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **Not Applicable**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings; **Not Applicable**
- (v) The following Regulations and Guidelines prescribed under the Securities Exchange Board of India Act,1992 (SEBI): - **Not Applicable**
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

(vi) Other Applicable Laws:

As per the explanation given by the Company vide its Management Representation Letter dated 17.05.2024, following laws and the rules made thereunder have been identified and complied with by the Company, to the extent possible:

- (a) DPE Guidelines on Corporate Governance for CPSE issued by Department of Public Enterprises, on 14th May 2010 (“DPE Corporate Governance Guidelines”);
- (b) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“the POSH”);
- (c) The Rights of Persons with Disabilities Act, 2016 and Rules made thereunder (“the Disabilities Act”).

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

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India as amended from time to time;
- (b) No Listing Agreement was entered into by the Company with any of the stock exchange(s) as the company is not listed with any stock exchange.

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

1. The gap between two Board Meetings i.e. 282nd and 283rd, 284th and 285th exceeded the prescribed timeline of three months as specified in DPE Corporate Governance Guidelines.

“As per Clause 3.3.1 of the DPE Corporate Governance Guidelines, “The Board shall meet at least once in every three months and at least four such meetings shall be held every year. Further, the time gap between any two meetings should not be more than three months”

The management has confirmed that due to the official exigencies the Board meetings could not be held within the stipulated time period of three months. However, the provisions of the Companies Act, 2013 regarding Board meetings are complied with.

2. The Audit Committee of company was met only three times during the F.Y.2023-24 instead of four times and the time gap between two Audit Committee i.e. 58th and 59th, 59th and 60th exceeded the prescribed timeline of four months as specified in DPE Corporate Governance Guidelines.

“As per Clause 4.4 of the DPE Corporate Governance Guidelines, “The Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but a minimum of two independent members must be present.”

The management has confirmed that due to the official exigencies the Audit Committee meetings could not meet 4 times and could not be held within the stipulated time period of four months in the FY 2023-24. However, the provisions of the Companies Act, 2013 regarding Audit Committee meetings are complied with.

We further report that:

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

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

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. However, the compliances of other applicable laws, as listed in Para (vi) above, are not verified and are based on the documents presented and management certifications reported to the Board through agenda papers with respect to the all office and on the basis of Management Representation Letter dated 17.05.2024.

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

1. It has been informed to us that the Company is under the regime of Strategic Disinvestment & Monetization wherein all the Guidelines/ Rules/ Regulation/ Office Memorandum etc., issued by various Government Authorities viz. MHI, DIPAM, DPE etc from time to time are being followed.

2. It has been further informed that “EPI Urban Infra Developers Limited (EPIUIDL - CIN: U45309DL2016GOI299995), which was incorporated as Subsidiary Company of EPI on 19th May 2016 with 51% holding by “the Company” is still non-operational since its incorporation. However, a petition under section 361 of the Companies Act, 2013 for summary winding up of the Company was submitted in September 2018 and the same was taken up by Regional Director (North), MCA in April 2022. It has been informed by RD (MCA) that the petition filed is not a fit case for summary procedure for liquidation and other course of action available under the Companies Act 2013. Accordingly, an application for Striking off the name of the EPIUIDL pursuant to Section 248(1) (a) of the Company Act 2013 has been filed to the Director General of Corporate Affairs, Ministry of Corporate Affairs on 23.05.2022.

Further in response to the application, the Registrar of Companies (ROC) has issued a Notice to EPIUIDL for removal of name of a company from the register of Companies (STK-1) on 30.11.2022/ 07.12.2022. Subsequently, the RoC issued SKT-5 (Public Notice for striking of name of the Company) on 21.04.2023 and the same was published at MCA website and also published STK-5A (Public Notice) dated 02.05.2023 in the Times City Newspaper on 13.06.2023. Afterwards, RoC issued STK-7 (Notice of Striking off and dissolution) dated 20.07.2023 and published the same in the official gazette on 29.07.2023. Henceforth the Subsidiary Company viz. EPIUIDL stands struck off and dissolved. As on date, the status of the Company is being reflected as “Strike Off” on the website of the Ministry of Corporate Affairs.

3. According to the information and explanations given to us, as on 31.03.2024 CBI has registered 06 cases and filed FIR against some employees of “the Company” wherein “The Company” was not named as party in the FIR and no financial impact on its financial statements was envisaged however during the F.Y. 2022-23, one case of fraud/ misappropriation of company’s funds had been registered by CBI, which is under investigation and the said fraud/ misappropriation has financial impact on its financial statements.

**For MNK and Associates LLP
Company Secretaries
FRN: L2018DE004900**

sd/-

**Mohd Nazim Khan
Practicing Company Secretary
FCS: 6529; CP-8245
UDIN: F006529F000826557
Peer Review Cert. No: 671/2020**

Place: New Delhi

Date: 25.07.2024

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.

To,

The Members

ENGINEERING PROJECTS (INDIA) LIMITED

CIN: U27109DL1970GOI117585

Core-3, Scope Complex, 7 Lodhi Road

New Delhi-110003

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have relied on report of Statutory Auditors, Tax auditors, Cost Auditors and C & AG report for compliances of the applicable Financial Laws including Direct and Indirect Tax Laws, Accounting Standards, the correctness and appropriateness of Financial Records, Cost Records and Books of Accounts of the company since the same have been subject to review by respective Auditors and other designated professionals.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules, regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For MNK and Associates LLP

Company Secretaries

FRN: L2018DE004900

sd/-

Mohd. Nazim Khan

Practicing Company Secretary

FCS: 6529; CP-8245

UDIN: F006529F000826557

Peer Review Cert. No: 671/2020

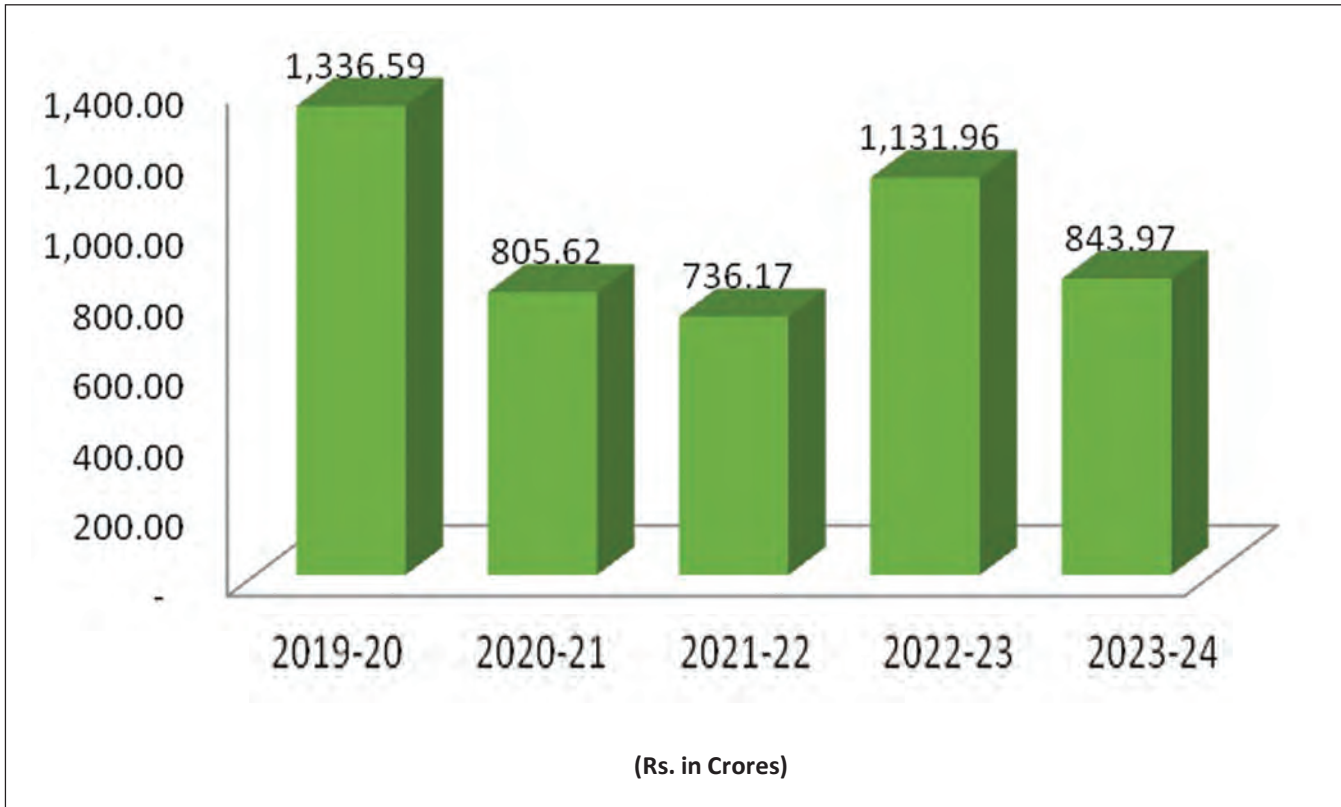
Place: New Delhi

Date: 25.07.2024

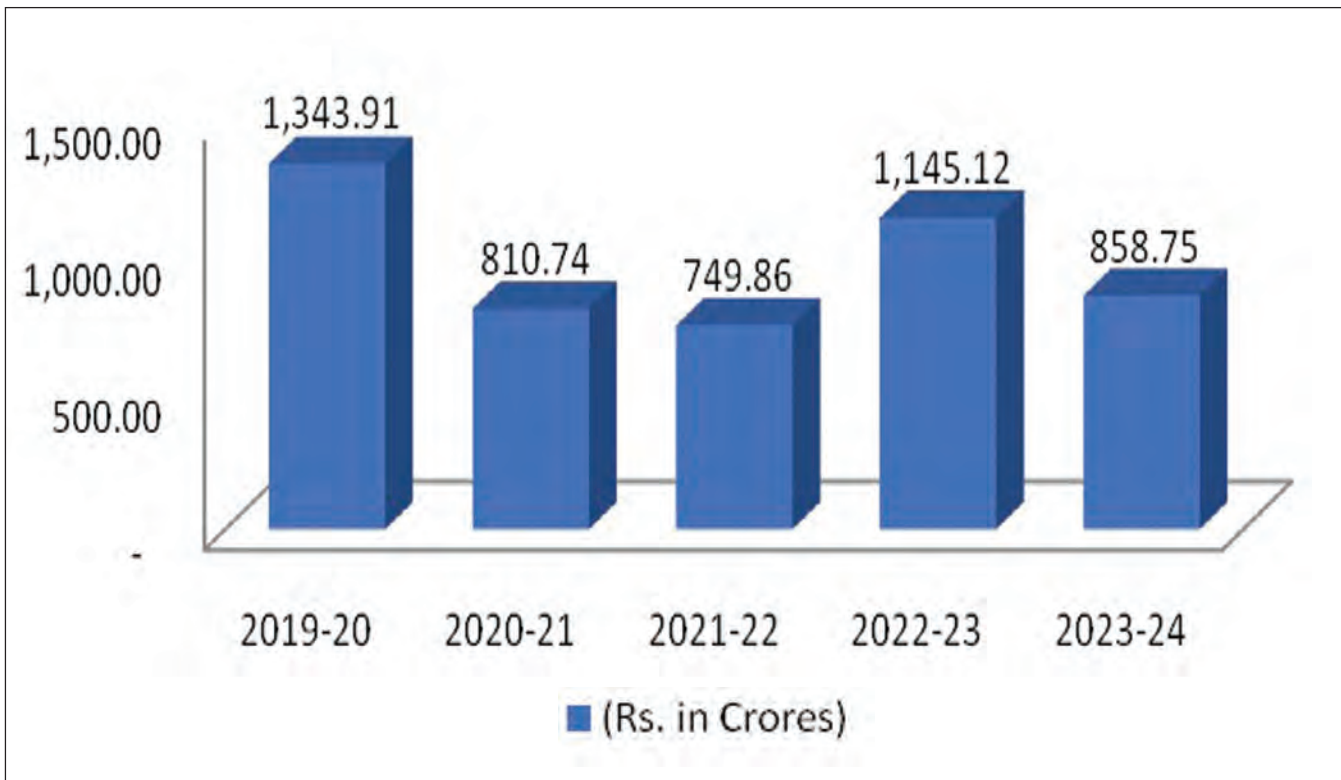
Company's reply to the Observations/Comments made by the Secretarial Auditor in his Secretarial Audit Report for the Financial Year 2023-24

Sl. No.	Observations/ Comments in the Report	Replies to the Observations
1.	<p>The gap between two Board Meetings exceeded the prescribed timeline of three months as specified in DPE Corporate Governance Guidelines.</p> <p>"As per Clause 3.3.1 of the DPE Corporate Governance Guidelines, "The Board shall meet at least once in every three months and at least four such meetings shall be held every year. Further, the time gap between any two meetings should not be more than three months" The management has confirmed that due to the official exigencies the Board meetings could not be held within the stipulated time period of three months. However, the provisions of the Companies Act, 2013 regarding Board meetings are complied with.</p>	<p>Due to the official exigencies the meeting could not be held within the stipulated time limit of 3 months in compliance of DPE Guidelines. However, the Company has complied with the provisions of Section 173 of the Companies Act 2013 in this regard.</p>
2.	<p>The time gap between two Audit Committee Meeting exceeded the prescribed timeline of four months as specified in DPE Corporate Governance Guidelines "As per Clause 4.4 of the DPE Corporate Governance Guidelines, "The Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but a minimum of two independent members must be present. "These Audit Committee Meetings are i.e. 58 Audit Committee Meeting, 59 Audit Committee Meeting and 60 Audit Committee Meeting. The management has confirmed that due to the official exigencies Audit Committee meetings could not be held within the stipulated time period of four months. However, the provisions of the Companies Act, 2013 regarding Committee meetings are complied with.</p>	<p>Due to the official exigencies the meeting could not be held within the stipulated time limit of 4 months and four times in the year in compliance of DPE Guidelines. However, the Company has complied with the provisions of Section 177 of the Companies Act 2013 in this regard.</p>

TURNOVER AND TOTAL INCOME



TURNOVER



TOTAL INCOME



MEETING WITH HON'BLE MINISTER OF HEAVY INDUSTRIES



MEETING WITH HON'BLE MINISTER OF STATE FOR HOME AFFAIRS



**MEETING WITH JOINT SECRETARY BORDER MANAGEMENT 1,
MINISTRY OF HOME AFFAIRS**



MEETING WITH EX- DG BSEF



MEETING WITH DG BSEF



MEETING, MEMBER PLANNING LAND PORT AUTHORITY OF INDIA



MEETING WITH CMD, LAND PORT AUTHORITY OF INDIA (LPAI)

54TH AGM OF EPIL F.Y. 2023-24

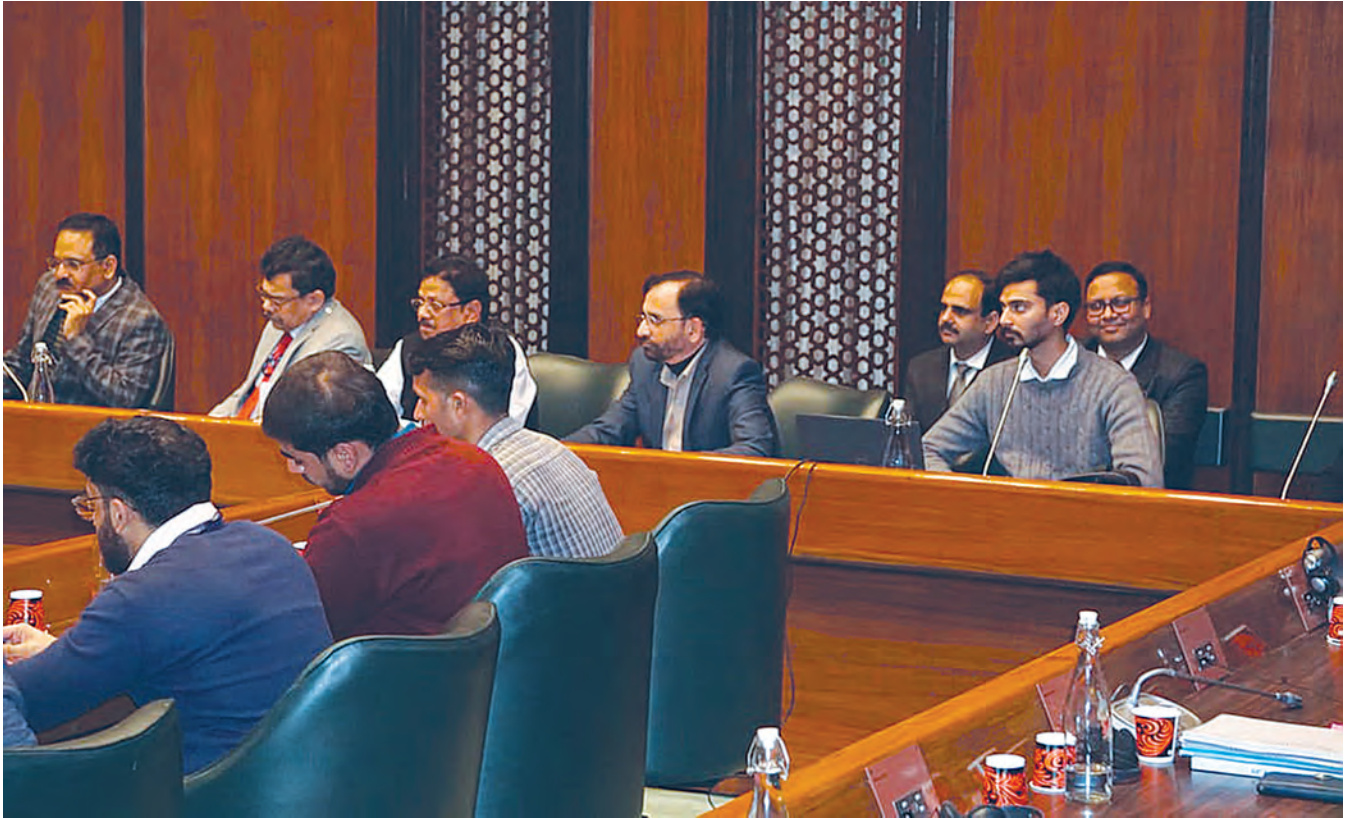




BOARD OF DIRECTORS MEETING



FALICITATION OF JS-MHI



PARLIAMENTARY COMMITTEE MEETING



54TH FOUNDATION DAY - 2024

SPORT'S DAY CELEBRATION - 2024



MHI'S ANNUAL CPSE REVIEW MEETING - 2024





MEETING WITH CMD AVNL & DIRECTOR OPERATION AVNL, MINISTRY OF DEFENCE



MOU SIGNING WITH EPFO

Tree Plantation Campaign



New Delhi, Delhi, India
 Block G B23, Char Bagh Najaf Khan Tomb, 230, Najaf Khan Rd, Block G, Block 23, BK Dutt Colony,
 New Delhi, Delhi 110003, India
 Lat 28.581151°
 Long 77.213869°
 19/09/24 03:49 PM GMT +05:30



Yoga Day Celebration



NHAI PROJECT



NHAI-Rajkot-Flyover work under progress



NHAI Rajkot- Flyover work under progress



NHAI Rajkot- VUP Pier Cap work under progress



EMRS-ARAKU VALLEY



GOVT. MEDICAL COLLEGE- GONDIA



WATER SUPPLY PROJECT SISAI, GUMLA, JHARKHAND- WTP



NTPC HOUSING PROJECT MUZAFFARPUR, BIHAR-SUITE BUILDING



DMF 1000 LAB ACCOM & 2 Nos CREMATORIUM, SUNDARGARH, ODISHA



DEMU/MEMU PROJECT ANARA, WEST BENGAL



RVNL EMU CAR SHED PROJECT, KHURDA ROAD, BHUBNESHWAR, ODISHA



RVNL EMU CAR SHED PROJECT, KHURDA ROAD – HR BAY



RCC GIRDERS LAUNCHED AT LC NO. 224X - ROB-11 PROJECT ON KOTA-MATHURA SECTION



COMPOSITE GIRDER LAUNCHED AT LC NO. 224X - ROB-11 PROJECT ON KOTA-MATHURA SECTION



INTERIOR WORKS OF MODEL AAHAR KENDRA AT CUTTACK, ODISHA



RAFT CASTING- GONDIA MEDICAL COLLEGE PROJECT



FGD UKAI PROJECT



IREL PROJECT

Independent Auditor's Report

To The members of,

ENGINEERING PROJECTS (INDIA) LTD

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of ENGINEERING PROJECTS (INDIA) LTD which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss and statement of cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. The company has 4 (Four) Regional Offices located at Western Region, Eastern Region (including NERO), Southern Region, Northern Region and 3 (Three) overseas Branches at Oman, Sri Lanka & Myanmar which are audited by branch auditors appointed by CAG and Corporate Office is audited by us.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion Section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and Loss and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. As per the accounting Policy number 1.10 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 up to 10 years from the year these became due. These debts are under constant persuasion for realization till final settlement made with the client(s) or verdict is passed by the arbitral tribunal/ court, in case of dispute. Necessary provision against doubtful debts / loans and advances for net receivable amount on project basis is made in case the dues are outstanding for more than 10 years. Therefore, provision against doubtful debts receivable is not made for dues which are under dispute and final verdict is not passed and receivable less the 10 years.
 - a) As reported by WRO branch auditor provision against doubtful receivables is not made for dues which are under dispute and final verdict is not passed. The total of such receivable amount is ₹1,475.58 Lakhs; against this receivable, ₹87.26 lakhs is pending for payment to sub-contractor. Hence, the net outstanding for which provision is required but not provided works out to ₹1,388.31 lakhs. Further out of the other total receivables ₹86.50 lakhs are outstanding for a period of more than 3 years hence requires provision for the same. Accordingly, loss for the year is understated by ₹1,474.81 lakhs and trade receivables are overstated by ₹1,562.08 lakhs out of which other non-current assets (security deposits

and retention money) is overstated by ₹168.31 lakhs and trade payables are overstated by ₹87.26 lakhs.

- b) As reported by NRO branch auditor, amounts outstanding for more than 10 years are ₹140.00 lakhs & ₹0.66 lakhs under 'Recoverable from Clients, Vendors & Other' and ₹7.99 lakh & 19.84 lakhs under 'Security Deposits & Retention money. As per the accounting policy no. 10 of Significant Accounting Policies the Branch has to make provision for the dues outstanding for more than 10 years. However, no such provision is created on these balances. Had the Branch made provision for dues outstanding for more than 10 years then balance of 'Other Advances', 'Recoverable from Clients, Vendors & Others' and 'Security Deposits & Retention money' net of provisions would have decreased by ₹140.66 lakhs and ₹27.83 lakhs respectively, and correspondingly the Profit for the year and shareholders fund would have been reduced by ₹168.49 lakhs.
- c) As reported by ERO branch auditors as at 31st March 2024 net receivable value for undisputed closed projects outstanding for more than 10 years amounts to ₹405.18 lacs for which there is no provision in the books of the Branch.

Had the provision for doubtful debts been made in accordance with the stated policy, the loss for the year would have increased by ₹405.18 lacs and provision for doubtful debts would have increased by equivalent amount. Accordingly, loss for the year is under stated by ₹405.18 Lacs.

2. As reported by ERO branch auditors, refer note no. 2.11 of the Financial Statements, Long term loans and advances – Indirect Tax (Recoverable, Input Tax Credit and Advance) which includes an amount of ₹314.47 lacs for Works Contract Tax/ VAT of ERO. As explained to us the same is related to different projects of the Branch and are recoverable from customers and Indirect tax authorities. It was explained that the claims are made to the customer at the time of completion of the project along with final settlement and at the time of final assessment with indirect tax authorities. However, documents/confirmation for such claims with customer/ tax authorities are not made available to us for verification, in the absence of such documentary evidence for claims we are unable to comment on the recoverability/ reasonability of the same.
3. As reported by ERO branch auditor based on examination which included test checks, the company has used an accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility. However, we cannot confirm if the audit trails are enabled for all the relevant data updating the books of accounts, audit trails were operated in the software throughout the year and were not tampered.
4. In WRO branch, No provision is made for advance payment made to sub-contractor amounting to ₹583.10 lakhs though sub-contractor i.e. Techpro System is under insolvency process under litigation. Accordingly, loss for the year is understated by ₹583.10 lakhs and other current assets (recoverable from vendors) is overstated by the same amount.
5. In WRO branch, Interest Recoverable from Vendor M/s. Reacon Engineers Pvt. Ltd. amounting to ₹139 Lakh is pending since 2017, for which provision should be made as on 31-03-2024. However, Loss is understated by ₹139 lakhs as on 31-03-2024.

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We draw attention to following matters: -

1. Related to Branch wise Trial Balance

During the FY 2023-24, PCO- Bhubaneswar is carved out from Western Region and is now merged with Eastern Region and the previous year figures are regrouped. Since branch wise Trial Balance is not signed by the previous auditor, ERO branch auditors have worked on the basis of Trial Balance of financial year 2022-23 signed by the Branch Head (General Manager) of PCO – Bhubaneswar.

2. Contingent Liabilities

We draw attention to note no. 2.26 of the Financial Statements regarding contingent liabilities, wherein the Company has disclosed ongoing legal proceedings with the revenue authorities and/or cases that arose during the ordinary course of business. We cannot ascertain if these legal proceedings will have any material and adverse effect on the financial position of the Company.

As also reported by the NRO branch auditor, with respect to ongoing disputes and claims related to project for construction of Medical College at Rudrapur, the Branch has received a claim from Directorate of Medical Education (Govt. of Uttarakhand) and also funds available with Branch are less than the liability outstanding towards the contractor. However, no provision is made for the same as the matter is sub- judice.

3. Balance Confirmations of Receivables and payables

In respect of the balances of trade receivables, advances for works, security and retention money, loans and advances and recoverable from clients, vendors and others, balances of trade payables,

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

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

- a. As reported by ERO branch auditor, The Branch has sent balance confirmation letters regarding the balances of trade receivables, loan and advances, client's advance retention money, security deposit, trade payables and payables to others which are subject to confirmation and reconciliation. We have received confirmations for the following balances till the date of our report:

Account head	Balance confirmed (₹in lakhs)
Payable against work/supplies (Cr)	517.14
Retention money /security deposit payable (Cr)	456.80
Amount Withheld Vendor (Cr)	242.88
Other payable (Cr)	0.26
Amount recoverable vendor (Dr)	16.72

- b. As reported by NRO branch auditor, balance confirmation have not been received from Trade Receivables, Loans & Advances, Client's Advances, Retention Money, Security Deposits Receivables/Payable and Trade Payables for balance outstanding as on March 31, 2024. Thereby the accuracy, existence and completeness of said balances could not be verified.
- c. As reported by WRO branch auditor in WRO branch, Following are details of confirmation received

Account Head	Note No	Total Amount as per financial statements (₹in lakhs)	Amount for Which Confirmation received (₹in lakhs)
Trade Receivables (Current and Non Current)	2.12 & 2.15	7,463.65	NIL
Retention Money & Security Deposits	2.3 & 2.7	4420.66	679.47
Trade Payables Amount Withheld	2.6	2571.66	498.92

- d. As reported by Oman branch auditor, Balance confirmations from Sarooj Construction Company LLC and M/s C&C Construction Ltd. - Oman have not been obtained and reconciled at the year end. In absence of the same, we are unable to verify the completeness of the creditors and subcontractors' balances.

4. Liquidated Damages

We draw attention to note no. 1.3.g of the financial statements regarding policy of the company for non-provision of Liquidated damages arising from contractual obligations in respect of contracts under dispute/negotiation and not considered payable/receivable till final settlement. As reported by ERO branch auditor, as on 31st March 2024 ₹69.49 lacs (PY ₹63.80 lacs) has been withheld by a client due to delay in execution and the same is disclosed Other Non-current asset Recoverable from clients, Vendors & others.

5. Receivables and Payables related to Closed Projects

As reported by ERO branch auditor, there are certain cases of Receivables where Profit Center is mentioned as ERO. We understand that these are related to closed Projects, and few of the projects could not be identified.

GL Code	Amount (₹in lakhs)	Remarks
20801001	32.50	Outstanding for more than 3 years
21006001	24.56	Outstanding for more than 5 years

Similarly, there are certain cases under 'Payables' where Profit Center is mentioned as ERO. We understand that these are related to closed Projects and few of the projects could not be identified.

GL Code	Amount (₹in lakhs)	Remarks
10810000	12.82	Outstanding for more than 3 years
10901001	353.96	Outstanding for more than 5 years, includes EMD Tender Customer Rs 1.38 lacs
10908001	10.93	Outstanding for more than 5 years, includes Tender EMD Rs 0.41 lacs
10908002	186.96	Includes Rs 170.89 lacs payable as Tender EMD against vendor code 51000918

Our opinion is not modified in respect of these matters.

6. Depreciation

As reported by NRO branch auditor in NRO branch, Period of Useful life considered for the purpose of depreciation of some of the assets under Property, Plant & Equipment is incorrect. Had the depreciation been calculated correctly then the balance of 'Computer and Equipment' would have been lower by ₹0.11 lakhs, 'Furniture & Fixtures' and 'Office and Other Equipment' would have

been higher by ₹1.63 lakhs and ₹0.03 lakhs respectively, 'Depreciation & Amortization expenses' would have been lower by ₹1.55 lakhs and correspondingly the Profit for the year would have been higher by ₹1.55 lakhs for the year under report. Effect of such errors in past years if any is not considered. Effect of the error is not material in the financial statements of NRO, therefore we have not given qualified opinion in this respect.

7. MSME Identification

Attention is drawn to Note no. 2.3, 2.6 and 2.51 for identification of status of Micro, Small and Medium Enterprises status of vendors. MSME status of vendors is identified at the time of initial creation of vendor in SAP only, thereafter there is no procedure to identify the MSME status of vendors. Therefore, we cannot comment on the correct disclosure of MSME balances outstanding as on 31.03.2024 or any delay in payments thereof.

8. Revenue Recognition

Attention is drawn to the accounting policy in Note no. 1(3)(a)/(b)/(k) on percentage of completion method followed for revenue recognition. During the year NRO Branch has recognized work expenditure of ₹551.57 lakhs, and correspondingly computed revenue from operations on percentage of completion method basis, The certificate is not accompanied by any working regarding the calculation or estimation. In order to verify the correctness of the estimation alternative source of audit evidence is not available. Also, we were unable to ascertain the technical competence of the persons who undertook this certification. However, we have no reasons to form any adverse view regarding the overall impact of likely variation in the estimates made by the management, as to the material effect of the same on the financial statements of the Branch. Therefore, we have not given a qualified opinion in this respect.

9. GST Reconciliation

As reported by NRO branch auditor in NRO branch, closing balances of Goods and Services Tax liability and Input Tax credit available in the books are not fully reconciled with the balances reflected in Electronic Credit Ledgers and Electronic Cash Ledgers on GST portal. However, the difference is not material therefore we have not qualified our audit in this respect.

10. Physical Verification of Fixed Asset

As reported by NRO branch auditor, as per physical verification report of fixed assets provided to us, some excess physical assets are available at various locations. However no other details of these have been provided to us, therefore we are unable to quantify the impact of such variation.

11. CBI Cases

CBI has registered 06 cases and filed FIR against some employees of "the Company" wherein "The Company" is not named as party in the FIR and no financial impact on its financial statement is envisaged. Refer to note no. 2.41.

12. Provisions

We draw attention to note no. 2.45(f), The company had taken 15000 Sq feet area on 8th & 9th floor having municipal door Number -50 Chowringhee Road, Kolkata -71 has expired on 30.09.2015

and the matter has been referred to the Hon'ble Calcutta High Court for adjudication Vide case number 144 of 2016. The lessor (M/s Sqaure Four Assets Management and Reconstruction Company Pvt Ltd) vide GA No.18 of 2022 dated 08.02.2022 had claimed ₹5952.70 Lakhs (including interest amounting to ₹2581.27 Lakhs and GST amounting to ₹514.28 Lakhs) pertaining to the period from October, 2015 to March, 2022 against which a judgment dated 03.11.2022 was passed by Hon'ble Single Bench in favor of the appellent.

The company had moved to division bench against the said order of the honorable single bench and on 9th June 2023 the division bench has set aside the order of the honorable single bench. During the financial year 2021-22, based on internal assessment the company has suitably provided for ₹1656.81 lakhs (excluding GST) during the FY 21-22 toward lease rental with cumulative provision as on 31.03.2024 of ₹1659.22 lakhs (₹1659.22 lakhs up to 31.03.2023). The same has been duly shown in notes no. 2.4 under the head Long term Provision.

During the FY 2023-24, Kolkata Municipal Corporation ('KMC') had served various Property Tax Fresh / Supplementary (Unit Area/ARV) bills amounting to ₹41,22,480/- required to be paid at quarterly rests. The Company booked an amount of ₹24,73,488/- during the year under the head Rates & Taxes in Note No. 2.24 of ERO Branch but did not make payment to KMC. A legal opinion with regard to discharge of this liability was sought but legal proceedings as per the said opinion has not yet been started.

13. Bank Guarantees

In lieu of BG provided by EPIL for ₹4,554.00 Lakhs on behalf of C&C Constructions Limited in Myanmar Project, EPIL has received ₹1,906.64 Lakhs and balance is secured against work done in Oman. MEA vide its letter dated 09th February, 2022 terminated the complete contract (Project for Construction of Two Lane Road on NH Specifications from Paletwa to India-Myanmar Border (Zorinpui) from Km 0.00 to Km 109.20 in Chin state of Myanmar) stating non-performance and subsequently invoked BG amounting to ₹75.90 cr. (EPI portion – ₹30.36 cr& C&C portion – ₹45.54 cr). In turn, EPI vide its letter dated 11th February, 2022 terminated the contract of its sub-contractor M/s RK-RPP JV (awarded value ₹414 cr) and invoked its BG due to non-performance of ₹20.70 cr (5% of ₹414 cr).

Further M/s EPI-C&C JV has jointly filed an appeal to Ministry of External Affairs (client) and Ircon Infrastructure & Services Limited on 20.02.2024 for the invoked BG amounting to ₹75.90 cr. (EPI portion – ₹30.36 cr& C&C portion – ₹ 45.54 cr) and thus claim of ₹75.90 Crore is shown as amount recoverable from client. Refer to note no. 2.29(b).

14. Payable to Employees

Total outstanding amount in respect of employees which include ex-employees amounting to:

Particulars	Amount (₹ In Lakhs)
Amount Payable- Employees	96.00
Performance related Pay payable	23.06
Liability for 3 rd PRC (Pay Revision)	474.93

15. Litigation in Overseas Branch

- a. On 05th Sep 2023, Oman Arab Bank has filed the Court case at Courts of First Instance (Muscat Primary Court) against C&C (Oman) LLC- 1st Respondent, Al Naba Holding LLC- 2nd Respondent, Mr. Khalid Bin Hamid Bin Saif Al Busaidi (Chairman of Al Naba Holding LLC)- 3rd Respondent & Engineering Projects (India) Limited- 4th Respondent for ₹14015.82 Lakhs (equivalent to US\$ 17,908,066.62) to be paid jointly or severally and also file claim of ₹6104.70 Lakhs (equivalent to US\$ 7,800,000) on Engineering Projects (India) Limited due to non-compliance of Assignment letter issued by EPI in favor Oman Arab Bank. Last hearing was held on 22-04-2024 & next hearing postpone to 26-05-2024. Refer to note no. 2.53(a).
- b. Company claimed an amount of RO.4,650,904/- (₹94,64,12,454.96) upto March 2023 from MOD on account of the increase in fuel prices and visa charges & VAT reimbursement as per the conditions as given in the main contract. MoD has released OMR 751017 (₹15,28,24,449.33) to Muscat Primary Court on behalf of M/s C&C Constructions Limited on 04-03-2024, OMR 1,844,890.579 (₹37,54,16,783.92) to M/s Sarooj Construction on 24-03-2024 & OMR 77,089.032 (₹1,56,86,847.12) to MSA Global LLC on 27-03-2024. Balance amount will be released shortly. Refer to note no. 2.53(b).
- c. MOD had blocked an amount of RO.11.35 Million as per the direction from the Primary Court of Sultanate of Oman in connection with the case filed by C & C Oman L.L.C. Subsidiary of C & C Construction Ltd – India). EPI has collected the details of case no 119/1310/2021 and filed an appeal in the Muscat Primary Court. On 11-06-2023, Primary Court, Muscat has issued the Judgment in favor of C&C (Oman) LLC. Appeal against judgment had been filed by EPI to challenge the judgment issued by primary court and hearing at Appeal Court scheduled on 17 Aug 2023. Further, on 13.03.2023 C&C (Oman), LLC filed the petition (294/4104/294) in Primary Court, Muscat for Seizure of EPI's all accounts, funds and banking & financial transactions in Sultanate of Oman linked to this ongoing commercial case 119/1310/2021 and on 14.03.2023, Primary Court issued the judicial decision 124/2023 for freezing of EPI's bank accounts in Oman and also informed to Central Bank of Oman (CBO) to implement the decision. Accordingly, on 15th March 2023, all the bank Accounts were frozen and made inoperative. Further, on 27.03.2023, EPI filed the petition in primary court for unfreezing of EPI's bank accounts in Oman. Hearing was concluded on 16.04.2023 and on 01.05.2023, Hon'ble Primary Court issued the decision to cancel the order dated 14.03.2023 of freezing EPIs Bank Accounts in a Court Case filed by M/s C&C Oman LLC. On 14-05-2023, M/s C&C (Oman) LLC filed an Appeal against primary court judgment. On 06-07-2023, an Appeal was submitted by M/s C&C (Oman) LLC and accepted by Court which superseded the Judgment issued by Primary Court, which was in favor of EPI. Judgment copy is yet to be receive from Appeal Court. EPI has proposed to challenge the decision in High Court, after reviewing the judgment with legal counsel. Further with the intervention of His Majesty Office and support of MoD reconciliation record was signed on 09-01-2024 by representative of Muscat Primary Court, MoD, EPI, Al-Naba & lawyers of both side and case was closed by Muscat Primary Court and Further EPI banks accounts was opened on 19-03-2024 for banking operations. Refer to note no. 2.53(c).

16. Arbitration in Overseas Branch

M/s MSA Global LLC, who are our subcontractors have submitted the request for Arbitration in ICC on 12.04.2023. Notification issued by ICC on 18.04.2023. M/s MSA Global & EPI have appointed Arbitrators respectively from their sides and third Arbitrator appointed by them. MSA Global LLC has submitted claim for US\$ 45 Million (₹382 Crore) against EPI and EPI submitted counter claim of US\$ 5 Million (₹41 Crore) in ICC Singapore. The pleadings/documentation is in process as per procedural time table issued by ICC in the matter. Refer to note no. 2.53(d).

17. Bank Balance Confirmation in Overseas Branch

We have requested but did not receive balance confirmation from Bank Muscat SAOG, in the absence of which, we could not satisfy our selves as to whether all the transactions and liabilities are recorded by the EPIL Oman Branch. We were informed that the bank accounts have been frozen as per the directives of Central Bank of Oman.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the financial statements and auditor's report thereon.

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

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

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

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

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the

preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial statements, including

the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decision of a reasonable knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and quantitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Other Matter

We did not audit the financial statements/ information of 4(Four) Indian Regional Offices and 3 (Three) Overseas Branches included in the financial statements of the Company whose financial statements/ financial information reflect total assets of ₹2,02,810.37Lakhs (₹2,10,090/- Lakhs) total liabilities ₹2,04,917.92Lakhs (₹2,05,633/- Lakhs) as at 31st March 2024 (31st March 2023) and total revenue of ₹85,259.24 lakhs (₹1,13,928/- Lakhs) for the year ended on that date, as considered in the financial statements. The financial statements/information of these Regional Offices/Branches have been audited by the other independent branch auditors appointed by Comptroller & Auditor General of India whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

Our opinions is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. 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.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters Specified in paragraphs 3 and 4 of the said Order, to the extent

applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. *(Except for the details of the physically missing and excess fixed assets and the matters stated in Key Audit Matters para 10 given above).*
- b) In our opinion proper books of account as required by law has been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Except following: -
 - i. In WRO branch, non-provision for doubtful debts which are under dispute and for which final verdict is not passed by arbitral tribunal / Court / are doubtful for recovery amounting to ₹1475.58 lakhs (net receivable) and advance paid to subcontractor ₹583.10 lakhs under Insolvency proceedings/ Doubtful to recover.
- e) In terms of notification No. GSR 463 (E) dated 05.06.2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub section 2 of Section 164 of the Act, are not applicable to the Company, being Government Company.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.
- g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:-
 - (a) The Company have some pending litigation which would impact its financial position. Refer Note No. 2.26 of the financial statement.
 - (b) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - (c) There were no amount which were required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (d) Omitted
 - (e) (i) The management has represented that, to the best of its knowledge and belief,

no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of it’s knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us to believe that the representations under sub-clause (e) (i) and (e) (ii) contain any material misstatement.

- (f) The dividend has not been declared or paid during the year by the company.
- (g) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility. However, we cannot confirm if the audit trails are enabled for all the relevant data updating the books of account, audit trails were operated in the software throughout the year and were not tampered.

4. With respect to the report pursuant to directions issued by Comptroller and Auditor General of India u/s 143(5) of the Companies Act,2013 for the year ended 31 March 2024 on accounts of Company audited by us, refer our separate Report in “Annexure C”.

For VSD & Associates
Chartered Accountants
F.R.No.008726N

Sd/-
(Hema Dudeja)
Partner
M.No.501001

Place: New Delhi
Date : 25th July, 2024
UDIN : 24501001BKEEND9520

“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT

Referred to in paragraph 2 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2024:

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- I. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.

The company has maintained proper records showing full particulars of Intangible assets.

- (b) Property, Plant & Equipment are physically verified by the management in accordance with a regular program at reasonable intervals. In our opinion the interval is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification, except as follows:-

In NRO branch, certain discrepancies were noticed on such verification, however no provision has been made for such discrepancies. Also, in physical verification reports provided there is no asset codes mentioned, therefore the same cannot be matched with the fixed assets register by us.

- (c) Based on the audit procedure performed and according to the records of the Company, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) are held in the name of the Company, except as follows:-

(Amount in ₹ Lakhs)

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/ director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company**
Building at Scope Complex, New Delhi	374.42	Scope Complex, New Delhi	No	14-03-1988	Matter is taken up with the concern authority.

- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

- (e) There is no proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- II. (a) The inventory has been physically verified by the management at regular intervals. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) The company has been sanctioned working capital limits in excess of **five crore rupees**, in aggregate, from banks or financial institutions on the basis of security of current assets; In our opinion, there are no material discrepancies between the statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- III. The company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, the Provision of clause 3(iii) (a) to 3(iii) (f) of the order are not applicable to the company.
- IV. The Company has complied with the provisions of section 186 in respect of investments. Further, in our opinion, the company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans, guarantees and security.
- V. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Companies Act, 2013; any other relevant provisions of the Act and relevant rules framed thereunder.
- VI. The Central Government has prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013. All the Cost records are maintained at regional office and reviewed by their respective auditors and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.
- VII. (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Duty of Customs, Income Tax, Goods and Service Tax, Cess and other statutory dues, as applicable, to the appropriate authorities as reported by management. However, In NRO branch, the Branch has not raised invoice of ₹46.12 lakhs for the project which is already completed, accordingly the Branch has not discharged its GST liability on the same.
- (b) According to the information and explanation given to us, there were disputed statutory dues of **₹4,091.21 lakhs** on account of any disputed matters pending before appropriate authority.

Name of Statute	Nature of the dues	Forum where dispute is pending	Amount (₹ in Lakhs)	Period to which amount related
UP Trade Tax Act, 1948	UP Trade Tax	Sales Tax Tribunal	8.73	1993-94
Delhi Value Added Tax, 2004	D-VAT interest & Penalty	Dept of Trade and Taxes, Govt. of NCT of Delhi	58.30	2015-16
Delhi Value Added Tax, 2004	D-VAT interest & Penalty	Dept of Trade and Taxes, Govt. of NCT of Delhi	14.48	2017-18
Central Goods and Service Tax 2017 Rajasthan Goods and Service Tax 2017	GST Penalty	GST Commissioner (Rajasthan)	3.92 3.92	2017-18
Andhra Pradesh Value Added Tax Act	VAT Demand	Honourable High Court of Andhra Pradesh, Hyderabad	44.49	2008-09 and 2009-10
Central Goods and Services Tax Act	GST DRC-07	Filed APL-01	327.57	2017-18, 2018-19 and 2019-20
Central Goods and Services Tax Act	GST DRC-07	Filed APL-01	41.68	2017-18
Income Tax Act	TDS Payable		3.76	From 2020-11 till 2017-18
Service Tax Law	Service Tax including interest and penalty	The CESTAT, Kolkata	37.46	Financial Year 2010-11 to 2012-13
Service Tax Law	Service Tax including interest and penalty	The CESTAT, Kolkata	91.95	Financial Year 2011-12 to 2015-19
Service Tax Law	Service Tax including interest and penalty	The CESTAT, Kolkata	35.82	Financial Year 2004-05 to 2005-06

Name of Statute	Nature of the dues	Forum where dispute is pending	Amount (₹ in Lakhs)	Period to which amount related
West Bengal Value Added Tax Act, 2003	WB VAT	West Bengal Commercial Taxes appellate & Revision Board, Kolkata	381.99	Financial Year 2007-08, 2015-16 & 2017-18
West Bengal Value Added Tax Act, 2003	WB VAT	Senior Joint Commissioner (1st Appeal) West Bengal Commercial Tax, Kolkata	580.66	Financial Year 2012-13 & 2016-17
West Bengal Value Added Tax Act, 2003	WB VAT	West Bengal Taxation Tribunal, Kolkata	2,364.66	Financial Year 2005-06, 2009-10, 2011-12, 2013-14 & 2014-15
The Goods and Services Tax Act, 2017	GST	Commissioner Appeals	1.53	Financial Year 2017-18
Maharashtra GST Demand	Demand		7.20	Financial Year 2017-18
Chhattisgarh GST Demand	Demand		83.09	Financial Year 2017-18

VIII. The company has not surrendered or disclosed any transactions, previous unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- IX.**
- The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
 - The company is not declared willful defaulter by any bank or financial institution or other lender.
 - All the term loans were applied for the purpose for which the loans were obtained.
 - There is no fund raised on short term basis which have been utilized for long term purposes.
 - The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures.

- X.** (a) The Company has not raised any money by way of initial/further public offer (including debt instruments) during the year. Accordingly, cause 3(x)(a) of the Order is not applicable.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- XI.** (a) Based on the audit procedures adopted and information and explanations furnished to us by the management, no fraud on or by the company has been noticed or reported during the course of our audit.
- According to the information and explanations given to us, CBI has registered six cases and filed FIR against some employees of EPI. Five case is in respect of alleged illegal gratification taken by the accused employees of EPI to award of tenders, one case identified in the F.Y 22-23 against banking fraud. Further as explained to us EPI is not named as party in the FIR and no financial impact on its financial statement is envisaged. Investigation in all six cases is still going on. (Refer Note No.2.41.).
- (b) No Report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- XII.** The Company is not chit fund or nidhi/mutual benefit trust/society. Therefore, the provisions of the clause 3 (xii)(a) to 3 (Xii)(c) of the Order are not applicable to the Company.
- XIII.** All transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of transactions during the year have been disclosed in the Financial Statements as required by the applicable accounting standards. Refer note no. 2.33 to the financial statements.
- XIV.** (a) The company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the branch wise internal audit reports of all the branches of the company for the period under audit.
- XV.** The Company has not entered into any non-cash transactions with directors or persons connected with them. Therefore, the provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- XVI.** (a) The Company is not required to be register under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Cause 3(XVI)(a) of the Order is not applicable.
- (b) The company has not conducting any Non-Banking Financial or Housing Finance activities. Accordingly, Cause 3(XVI)(b) of the Order is not applicable.

- (c) The Company is not a core investment company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(XVI)(c.) of the order is not applicable.
- (d) The Group has no CIC. Accordingly, Cause 3(XVI)(d) of the Order is not applicable.
- XVII.** In our opinion and according to the information and explanations given to us the company has suffered cash losses of ₹6,395.78 Lakhs during the financial year.
- XVIII.** There has been no resignation of the statutory auditors during the year. Accordingly, Cause 3(XVIII) of the Order is not applicable.
- XIX.** On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, based on our examination of the evidence supporting the assumptions, we opinion that there is no material uncertainty exists as on the date of the audit report regarding whether company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- XX.** There is no unspent amount under sub-section (5) of section 135 of the companies Act, 2013 pursuant to any project. Accordingly, clause 3(XX)(a) and 3(XX)(b) of the order are not applicable.
- XXI.** Not applicable.

For VSD & Associates
Chartered Accountants
F.R.No.008726N

Sd/-
(Hema Dudeja)
Partner
M.No.501001

Place: New Delhi
Date : 25th July, 2024
UDIN : 24501001BKEEND9520

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

Referred to in paragraph 3 sub para (f) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2024:

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 relied on the audited report of the internal financial controls over financial reporting of **Engineering Project (India) Limited**, as of March 31, 2024 in conjunction with our audit of the Financial statements of the Branch for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to rely on unqualified opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

- 1) Pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the Branch;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Branch are being made only in accordance with authorizations of management and directors of the Branch; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Branch's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountant of India, except as follows: -

As reported by ERO branch auditor, the company has used an accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility. However, we cannot confirm if the audit trails are enabled for all the relevant data updating the books of account, audit trails were operated in the software throughout the year and were not tampered.

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

except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2024.

However, we noticed that Process of obtaining balance confirmation and Reconciliations from Trade Receivables, Trade Payables and Other Parties needs further improvement.

**For VSD & Associates
Chartered Accountants
F.R.No.008726N**

**Sd/-
(Hema Dudeja)
Partner
M.No.501001**

**Place: New Delhi
Date : 25th July, 2024
UDIN : 24501001BKEEND9520**

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

Referred to in paragraph 4 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2024:

Report on the Direction u/s 143(5) of Companies Act, 2013 for the financial year 2023-2024

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

For VSD & Associates
Chartered Accountants
F.R.No.008726N

Sd/-
(Hema Dudeja)
Partner
M.No.501001

Place: New Delhi
Date : 25th July, 2024
UDIN : 24501001BKEEND9520



Compliance Certificate

We have conducted the audit of accounts of The Engineering Projects (India) limited for the year ended 31st March, 2024 in accordance with the directions/sub directions issued by C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/sub directions issued to us.

**For VSD & Associates
Chartered Accountants
F.R.No.008726N**

**Sd/-
(Hema Dudeja)
Partner
M.No.501001**

**Place: New Delhi
Date : 25th July, 2024
UDIN : 24501001BKEENE1425**

Replies on Auditors Qualification

S.No.	Auditor's Qualification	Company's Reply
1.	<p>As per the accounting Policy number 1.10 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 up to 10 years from the year these became due. These debts are under constant persuasion for realization till final settlement made with the client(s) or verdict is passed by the arbitral tribunal/ court, in case of dispute. Necessary provision against doubtful debts / loans and advances for net receivable amount on project basis is made in case the dues are outstanding for more than 10 years. Therefore, provision against doubtful debts receivable is not made for dues which are under dispute and final verdict is not passed and receivable less the 10 years.</p> <p>a) As reported by WRO branch auditor provision against doubtful receivables is not made for dues which are under dispute and final verdict is not passed. The total of such receivable amount is ₹ 1,475.58 Lakhs; against this receivable, ₹ 87.26 lakhs is pending for payment to sub-contractor. Hence, the net outstanding for which provision is required but not provided works out to ₹ 1,388.31 lakhs. Further out of the other total receivables ₹ 86.50 lakhs are outstanding for a period of more than 3 years hence requires provision for the same. Accordingly, loss for the year is understated by ₹ 1,474.81 lakhs and trade receivables are overstated by ₹ 1,562.08 lakhs out of which other non-current assets (security deposits and retention money) is overstated</p>	<p>As per the accounting Policy number 1.10, 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 up to 10 years from the year these became due. These debts are under constant persuasion for realization till final settlement made with the client(s) or verdict is passed by the arbitral tribunal/ court, in case of dispute. Necessary provision against doubtful debts / loans and advances for net receivable amount on project basis is made in case the dues are outstanding for more than 10 years based on the previous experience/progress/assessment of the matter by the management. Trade receivables/Loans and Advances are written-off when considered unrealizable. For the cases pending with Arbitrator/ Tribunal/Court no provision is made. Net receivable indicated above means the total amount due from the client reduced by the corresponding amount payable to the sub-contractors of the respective projects.</p> <p>Provisions are being made accordingly.</p>

S.No.	Auditor's Qualification	Company's Reply
	<p>by ₹ 168.31 lakhs and trade payables are overstated by ₹ 87.26 lakhs.</p> <p>b) As reported by NRO branch auditor, amounts outstanding for more than 10 years are ₹ 140.00 lakhs & ₹ 0.66 lakhs under 'Recoverable from Clients, Vendors & Other' and ₹ 7.99 lakh & ₹ 19.84 lakhs under 'Security Deposits & Retention money. As per the accounting policy no. 10 of Significant Accounting Policies the Branch has to make provision for the dues outstanding for more than 10 years. However, no such provision is created on these balances. Had the Branch made provision for dues outstanding for more than 10 years then balance of 'Other Advances', 'Recoverable from Clients, Vendors & Others' and 'Security Deposits & Retention money' net of provisions would have decreased by ₹ 140.66 lakhs and ₹ 27.83 lakhs respectively, and correspondingly the Profit for the year and shareholders fund would have been reduced by ₹ 168.49 lakhs.</p> <p>c) As reported by ERO branch auditors as at 31st March 2024 net receivable value for undisputed closed projects outstanding for more than 10 years amounts to Rs. 405.18 lacs for which there is no provision in the books of the Branch.</p> <p>Had the provision for doubtful debts been made in accordance with the stated policy, the loss for the year would have increased by ₹ 405.18 lacs and provision for doubtful debts would have increased by equivalent amount. Accordingly, loss for the year is under stated by ₹ 405.18 Lacs</p>	
2.	As reported by ERO branch auditors, refer note no. 2.11 of the Financial Statements, Long term loans and advances – Indirect Tax (Recoverable, Input Tax Credit and Advance) which includes an	As on 31.03.2023 the un-adjusted amount of tax was ₹ 1314.47 lakhs. During 2023-24 continuous efforts was done to reconcile

S.No.	Auditor's Qualification	Company's Reply
	amount of ₹ 314.47 lacs for Works Contract Tax/ VAT of ERO. As explained to us the same is related to different projects of the Branch and are recoverable from customers and Indirect tax authorities. It was explained that the claims are made to the customer at the time of completion of the project along with final settlement and at the time of final assessment with indirect tax authorities. However, documents/confirmation for such claims with customer/ tax authorities are not made available to us for verification, in the absence of such documentary evidence for claims we are unable to comment on the recoverability/ reasonability of the same.	the un-adjusted amount and due to this efforts the figures has come down by ₹ 1000 lakhs. Continuous efforts to bring this down further are being made during this current financial year.
3.	As reported by ERO branch auditor based on examination which included test checks, the company has used an accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility. However, we cannot confirm if the audit trails are enabled for all the relevant data updating the books of accounts, audit trails were operated in the software throughout the year and were not tampered	The issue has been communicated to Corporate IT team who are taking necessary actions in this regard.
4.	In WRO branch, No provision is made for advance payment made to sub-contractor amounting to ₹ 583.10 lakhs though sub-contractor i.e. Techpro System is under insolvency process under litigation. Accordingly, loss for the year is understated by Rs. 583.10 lakhs and other current assets (recoverable from vendors) is overstated by the same amount.	As the matter is at NCLT no provision is made in accordance with policy no. 10. The decision of making or not making of provision can be made only after outcome of the case.
5.	In WRO branch, Interest Recoverable from Vendor M/s. Reacon Engineers Pvt. Ltd. amounting to ₹ 139 Lakh is pending since 2017, for which provision should be made as on 31-03-2024. However, Loss is understated by ₹ 139 lakhs as on 31-03-2024.	As the party has invoked arbitration and EPI has sought amicable settlement. Further no provision is made as per significant Accounting Policy NO. 10 of settlement.

S.No.	Auditor's Qualification	Company's Reply
6.	M/s C&C Construction Limited, 60% stake partner in Myanmar joint venture "EPI - C&C JV (unincorporated)" and main contractor in Oman Project is currently facing insolvency proceedings in NCLT and matter is at advance stage. Outcome and its financial impact on EPIL'S Financial Statements is not ascertainable.	<p>The company is in constant follow-up with the liquidator in this matter.</p> <p>i) EPI and C&C liquidator have signed the said settlement agreement on 14.11.2023 to approach the MEA jointly.</p> <p>Claims against Liquidator :-</p> <p>The Liquidator, as per settlement agreement has provisionally admitted the claims of EPI amounting to ₹ 26.70 crores subject to the outcome of the proposed arbitration proceedings against MEA and that in case the above said claim is not awarded to the JV as a whole or awarded partially in the proposed arbitration the un-resolved claim shall stand against the liquidator C& C.</p> <p>Claims of JV against MEA-</p> <p>a) JV sent notice invoking conciliation on 21.02.2024 to MEA and IRCON, raising its claims wherein EPI's claim is ₹ 128.45 crores approximately. EPI -C&C JV requested for resolution of disputes through conciliation which was denied and subsequently EPI-C&C JV sent letter dated 15.04.2024 for resolution of disputes through amicable settlement which is a step prior to invoking arbitration.</p> <p>b) JV is in the process of initiating arbitration against MEA.</p>

Replies on Key Audit Matters

S.No.	Auditor's Key Audit Matters	Company's Reply
1.	<p>Related to Branch wise Trial Balance</p> <p>During the FY 2023-24, PCO- Bhubaneswar is carved out from Western Region and is now merged with Eastern Region and the previous year figures are regrouped. Since branch wise Trial Balance is not signed by the previous auditor, ERO branch auditors have worked on the basis of Trial Balance of financial year 2022-23 signed by the Branch Head (General Manager) of PCO – Bhubaneswar.</p>	<p>No Comments required. (Factual matter)</p>
2.	<p>Contingent Liabilities</p> <p>We draw attention to note no. 2.26 of the Financial Statements regarding contingent liabilities, wherein the Company has disclosed ongoing legal proceedings with the revenue authorities and/or cases that arose during the ordinary course of business. We cannot ascertain if these legal proceedings will have any material and adverse effect on the financial position of the Company.</p> <p>As also reported by the NRO branch auditor, with respect to ongoing disputes and claims related to project for construction of Medical College at Rudrapur, the Branch has received a claim from Directorate of Medical Education (Govt. of Uttarakhand) and also funds available with Branch are less than the liability outstanding towards the contractor. However, no provision is made for the same as the matter is sub- judice.</p>	<p>As the matter is subjudice, necessary disclosures given in Note No. 2.26. Against the Contingent liabilities, Company has corresponding counter claims also.</p> <p>As regards, Rudrapur Medical college, case withdrawn on 10.06.2024 by EPI as blacklisting order withdrawn by State of Uttarakhand. In the arbitration between EPI and its sub-contractor JRA , EPI has filed counter claims to the tune of ₹ 91 crores approx. against JRA and JRA's right to file claims has been closed.</p>
3.	<p>Balance Confirmations of Receivables and payables</p> <p>In respect of the balances of trade receivables, advances for works, security and retention money, loans and advances and recoverable from clients, vendors and others, balances of trade payables, advances received from clients, security deposits and retention money received positive external confirmations of the</p>	<p>The practice of balance confirmations of Trade Receivables, advances for works, Security & Retention money, loans & advances and recoverable from clients, vendors and other, balances</p>

S.No.	Auditor's Key Audit Matters	Company's Reply												
	<p>balances are not available. Due to non-availability of balance confirmations, we are unable to quantify the impact, if any, arising on the financial statements.</p> <p>However, the company sent negative balance confirmations request to all the respective customers but no response was received. Since as per SA 505- External Confirmation, the failure to receive a response to a negative confirmation request either indicate accuracy of amount due or unwillingness of confirming party to confirm the amount. Thereby the accuracy, existence and completeness of said amounts could not be verified. However as per the standards of auditing negative confirmation are audit evidence thereby, we are not qualifying our opinion on basis of above. Refer to note no. 2.43.</p> <p>a) As reported by ERO branch auditor, The Branch has sent balance confirmation letters regarding the balances of trade receivables, loan and advances, client's advance retention money, security deposit, trade payables and payables to others which are subject to confirmation and reconciliation. We have received confirmations for the following balances till the date of our report:</p> <table border="1"> <thead> <tr> <th>Account head</th> <th>Balance confirmed (₹ in lacs)</th> </tr> </thead> <tbody> <tr> <td>Payable against work/supplies (Cr)</td> <td>517.14</td> </tr> <tr> <td>Retention money /security deposit payable (Cr)</td> <td>456.80</td> </tr> <tr> <td>Amount Withheld Vendor (Cr)</td> <td>242.88</td> </tr> <tr> <td>Other payable (Cr)</td> <td>0.26</td> </tr> <tr> <td>Amount recoverable vendor (Dr)</td> <td>16.72</td> </tr> </tbody> </table> <p>b) As reported by NRO branch auditor, balance confirmation have not been received from Trade Receivables, Loans & Advances, Client's Advances, Retention Money, Security Deposits Receivables/ Payable and Trade Payables for balance outstanding as on March 31, 2024. Thereby the accuracy, existence and completeness of said balances could not be verified.</p>	Account head	Balance confirmed (₹ in lacs)	Payable against work/supplies (Cr)	517.14	Retention money /security deposit payable (Cr)	456.80	Amount Withheld Vendor (Cr)	242.88	Other payable (Cr)	0.26	Amount recoverable vendor (Dr)	16.72	<p>of trade payables, advances received from client's security deposits and retention money received etc are consistently followed by the Company from the last several years as per the practice followed across the industry. However, some of the clients/contractors only have confirmed the balances as on 31/03/2024.</p>
Account head	Balance confirmed (₹ in lacs)													
Payable against work/supplies (Cr)	517.14													
Retention money /security deposit payable (Cr)	456.80													
Amount Withheld Vendor (Cr)	242.88													
Other payable (Cr)	0.26													
Amount recoverable vendor (Dr)	16.72													

S.No.	Auditor's Key Audit Matters	Company's Reply																
	<p>c) As reported by WRO branch auditor in WRO branch, Following are details of confirmation received</p> <table border="1"> <thead> <tr> <th>Account Head</th> <th>Note No</th> <th>Total Amount as per financial statements (₹ in lakhs)</th> <th>Amount for which confirmation received (₹ in lakhs)</th> </tr> </thead> <tbody> <tr> <td>Trade Receivables (Current and Non Current)</td> <td>2.12 & 2.15</td> <td>7463.65</td> <td>Nil</td> </tr> <tr> <td>Retention Money & Security Deposits</td> <td>2.3 & 2.7</td> <td>4420.66</td> <td>679.47</td> </tr> <tr> <td>Trade Payables Amount Withheld</td> <td>2.6</td> <td>2571.66</td> <td>498.92</td> </tr> </tbody> </table> <p>d) As reported by Oman branch auditor, Balance confirmations from Sarooj Construction Company LLC and M/s C&C Construction Ltd. - Oman have not been obtained and reconciled at the year end. In absence of the same. we are unable to verify the completeness of the creditors and subcontractors' balances.</p>	Account Head	Note No	Total Amount as per financial statements (₹ in lakhs)	Amount for which confirmation received (₹ in lakhs)	Trade Receivables (Current and Non Current)	2.12 & 2.15	7463.65	Nil	Retention Money & Security Deposits	2.3 & 2.7	4420.66	679.47	Trade Payables Amount Withheld	2.6	2571.66	498.92	
Account Head	Note No	Total Amount as per financial statements (₹ in lakhs)	Amount for which confirmation received (₹ in lakhs)															
Trade Receivables (Current and Non Current)	2.12 & 2.15	7463.65	Nil															
Retention Money & Security Deposits	2.3 & 2.7	4420.66	679.47															
Trade Payables Amount Withheld	2.6	2571.66	498.92															
4.	<p>Liquidated Damages</p> <p>We draw attention to note no. 1.3.g of the financial statements regarding policy of the company for non-provision of Liquidated damages arising from contractual obligations in respect of contracts under dispute/negotiation and not considered payable/receivable till final settlement. As reported by ERO branch auditor, as on 31st March 2024 is ₹ 69.49 lacs (PY ₹ 63.80 lacs) has been withheld by a client due to delay in execution and the same is disclosed Other Non-current asset Recoverable from clients, Vendors & others.</p>	Reference is drawn to adopted accounting policy No. 3 (g) on Liquidated Damages wherein it is clearly stated that "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."																
5.	<p>Receivables and Payables related to Closed Projects</p> <p>As reported by ERO branch auditor, there are certain cases of Receivables where Profit Center is mentioned as ERO. We understand that these are related to closed Projects, and few of the projects could not be identified.</p>	The observation is noted. Continuous efforts will be made to identify the projects details during the current financial year.																

S.No.	Auditor's Key Audit Matters			Company's Reply
	GL Code	Amount (₹ in Lacs)	Remarks	
	20801001	32.50	Outstanding for more than 3 years	
	21006001	24.56	Outstanding for more than 5 years	
	Similarly, there are certain cases under 'Payables' where Profit Center is mentioned as ERO. We understand that these are related to closed Projects and few of the projects could not be identified			
	GL Code	Amount (₹ in Lacs)	Remarks	
	10810000	12.82	Outstanding for more than 3 years	
	10901001	353.96	Outstanding for more than 5 years, includes EMD Tender Customer ₹ 1.38 lacs	
	10908001	10.93	Outstanding for more than 5 years, includes Tender EMD ₹ 0.41 lacs	
	10908002	186.96	Includes ₹ 170.89 lacs payable as Tender EMD against vendor code 51000918	
6.	<p>Depreciation</p> <p>As reported by NRO branch auditor in NRO branch, Period of Useful life considered for the purpose of depreciation of some of the assets under Property, Plant & Equipment is incorrect. Had the depreciation been calculated correctly then the balance of 'Computer and Equipment' would have been lower by ₹0.11 lakhs, 'Furniture & Fixtures' and 'Office and Other Equipment' would have been higher by ₹ 1.63 lakhs and ₹ 0.03 lakhs respectively, 'Depreciation & Amortization expenses' would have been lower by ₹ 1.55 lakhs and correspondingly the Profit for the year would have been higher by ₹ 1.55 lakhs for the year under report. Effect of such errors in past years if any is not considered. Effect of the error is not material in the financial statements of NRO, therefore we have not given qualified opinion in this respect.</p>			<p>The observation is noted for future compliance and due care would be taken in future while capitalising the Assets.</p> <p>Necessary check & balances will be introduced be in SAP to avoid such mistakes in future</p>
7.	<p>MSME Identification</p> <p>Attention is drawn to Note no. 2.3, 2.6 and 2.51 for identification of status of Micro, Small and Medium Enterprises status of vendors. MSME status of vendors is identified at the time of initial creation</p>			<p>As represented by the MSME vendors (wherever applicable for supplies/services)</p>

S.No.	Auditor's Key Audit Matters	Company's Reply
	of vendor in SAP only, thereafter there is no procedure to identify the MSME status of vendors. Therefore, we cannot comment on the correct disclosure of MSME balances outstanding as on 31.03.2024 or any delay in payments thereof.	they have been categorized under Trade Payable (MSME). Necessary disclosures about MSME facts are given under referred note nos 2.3,2.6 & 2.51.
8.	<p>Revenue Recognition</p> <p>Attention is drawn to the accounting policy in Note no. 1(3)(a)/(b)/(k) on percentage of completion method followed for revenue recognition. During the year NRO Branch has recognized work expenditure of ₹ 551.57 lakhs, and correspondingly computed revenue from operations on percentage of completion method basis, The certificate is not accompanied by any working regarding the calculation or estimation. In order to verify the correctness of the estimation alternative source of audit evidence is not available. Also, we were unable to ascertain the technical competence of the persons who undertook this certification. However, we have no reasons to form any adverse view regarding the overall impact of likely variation in the estimates made by the management, as to the material effect of the same on the financial statements of the Branch. Therefore, we have not given a qualified opinion in this respect.</p>	<p>Accounting Policy Revenue recognition 3 (b). As per the policy</p> <p>“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 years. Accordingly statutory obligations are met with at the time of actual receipt/issue of bills/ claims. The said bill amount was accounted for as per above policy.</p>
9.	<p>GST Reconciliation</p> <p>As reported by NRO branch auditor in NRO branch, closing balances of Goods and Services Tax liability and Input Tax credit available in the books are not fully reconciled with the balances reflected in Electronic Credit Ledgers and Electronic Cash Ledgers on GST portal. However, the difference is not material therefore we have not qualified our audit in this respect.</p>	<p>Amount is since reconciled, NRO has been instructed to work on this aspect so that the matter is not repeated in future.</p>
10.	<p>Physical Verification of Fixed Asset</p> <p>As reported by NRO branch auditor, as per physical verification report of fixed assets provided to us, some excess physical assets are available at various locations. However no other details of these have been provided to us, therefore we are unable to quantify the impact of such variation.</p>	<p>The amount involved is not material.</p> <p>Necessary adjustment entry, if required, will be done in next year.</p>

S.No.	Auditor's Key Audit Matters	Company's Reply
11.	<p>CBI Cases</p> <p>CBI has registered 06 cases and filed FIR against some employees of "the Company" wherein "The Company" is not named as party in the FIR and no financial impact on its financial statement is envisaged. Refer to note no. 2.41.</p>	<p>Status of such cases are being reported by Vigilance Division to Board of Directors on periodic basis.</p>
12	<p>Provisions</p> <p>We draw attention to note no. 2.45(f), The company had taken 15000 Sq feet area on 8th & 9th floor having municipal door Number -50 Chowringhee Road, Kolkata -71 has expired on 30.09.2015 and the matter has been referred to the Hon'ble Calcutta High Court for adjudication Vide case number 144 of 2016. The lessor (M/s Sqaure Four Assets Management and Reconstruction Company Pvt Ltd) vide GA No.18 of 2022 dated 08.02.2022 had claimed ₹ 5952.70 Lakhs (including interest amounting to ₹ 2581.27 Lakhs and GST amounting to ₹ 514.28 Lakhs) pertaining to the period from October, 2015 to March, 2022 against which a judgment dated 03.11.2022 was passed by Hon'ble Single Bench in favor of the appellant.</p> <p>The company had moved to division bench against the said order of the honorable single bench and on 9th June 2023 the division bench has set aside the order of the honorable single bench. During the financial year 2021-22, based on internal assessment the company has suitably provided for ₹ 1656.81 lakhs (excluding GST) during the F.Y 21-22 toward lease rental with cumulative provision as on 31.03.2024 of ₹ 1659.22 lakhs (₹ 1659.22 lakhs up to 31.03.2023). The same has been duly shown in notes no. 2.4 under the head Long term Provision.</p> <p>During the FY 2023-24, Kolkata Municipal Corporation ('KMC') had served various Property Tax Fresh / Supplementary (Unit Area/ARV) bills amounting to ₹ 41,22,480/- required to be paid at quarterly rests. The Company booked an amount of ₹ 24,73,488/- during the year under the head Rates & Taxes in Note No. 2.24 of ERO Branch but did not make payment to KMC. A legal opinion with regard to discharge of this liability was sought but legal proceedings as per the said opinion has not yet been started.</p>	<p>The matter has been appraised to Board of Directors in its 277th meeting held on 22.11.2021, thereafter in 279th BOD meeting held on 06.07.2022 and finally in 286th BOD meeting held on 28.03.2024. Further the same will continue to be reported in upcoming BOD meetings till its conclusion.</p> <p>The legal proceedings are yet to be started by filling WRIT petition before Kolkata High Court.</p>

S.No.	Auditor's Key Audit Matters	Company's Reply								
13	<p>Bank Guarantees</p> <p>In lieu of BG provided by EPIL for ₹ 4,554.00 Lakhs on behalf of C&C Constructions Limited in Myanmar Project, EPIL has received ₹ 1,906.64 Lakhs and balance is secured against work done in Oman. MEA vide its letter dated 09th February, 2022 terminated the complete contract (Project for Construction of Two Lane Road on NH Specifications from Paletwa to India-Myanmar Border (Zorinpui) from Km 0.00 to Km 109.20 in Chin state of Myanmar) stating non-performance and subsequently invoked BG amounting to ₹ 75.90 cr. (EPI portion – ₹ 30.36 cr & C&C portion – ₹ 45.54 cr). In turn, EPI vide its letter dated 11th February, 2022 terminated the contract of its sub-contractor M/s RK-RPP JV (awarded value ₹ 414 cr) and invoked its BG due to non-performance of ₹ 20.70 cr (5% of ₹ 414 cr).</p> <p>Further M/s EPI-C&C JV has jointly filed an appeal to Ministry of External Affairs (client) and Ircon Infrastructure & Services Limited on 20.02.2024 for the invoked BG amounting to ₹ 75.90 cr. (EPI portion – ₹ 30.36 cr & C&C portion – ₹ 45.54 cr) and thus claim of ₹ 75.90 Crore is shown as amount recoverable from client. Refer to note no. 2.29(b).</p>	<p>Matter stated in EOM is factual and has already been informed to BOD in its 278th meeting on 11.03.2022.</p>								
14.	<p>Payable to Employees</p> <p>Total outstanding amount in respect of employees which include ex-employees amounting to</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount (₹In Lakhs)</th> </tr> </thead> <tbody> <tr> <td>Amount Payable- Employees</td> <td>96.00</td> </tr> <tr> <td>Performance related Pay payable</td> <td>23.06</td> </tr> <tr> <td>Liability for 3rd PRC (Pay Revision)</td> <td>474.93</td> </tr> </tbody> </table>	Particulars	Amount (₹In Lakhs)	Amount Payable- Employees	96.00	Performance related Pay payable	23.06	Liability for 3 rd PRC (Pay Revision)	474.93	<p>1. ₹ 96 lacs is due in ordinary course and will be paid in due course of time as per availability of funds.</p> <p>2. PRP amount will be paid in due course of time on obtaining the necessary details from the respective employees and as per availability of funds with EPI.</p> <p>3. The arrear amount relates to 3rd PRC has been paid partially. The balance amount of ₹ 474.93 lacs would be paid in due course of time as per availability of funds with EPI.</p>
Particulars	Amount (₹In Lakhs)									
Amount Payable- Employees	96.00									
Performance related Pay payable	23.06									
Liability for 3 rd PRC (Pay Revision)	474.93									

S.No.	Auditor's Key Audit Matters	Company's Reply
15	<p>Litigation in Overseas Branch</p> <p>a. On 05th Sep 2023, Oman Arab Bank has filed the Court case at Courts of First Instance (Muscat Primary Court) against C&C (Oman) LLC- 1st Respondent, Al Naba Holding LLC- 2nd Respondent, Mr. Khalid Bin Hamid Bin Saif Al Busaidi (Chairman of Al Naba Holding LLC)- 3rd Respondent & Engineering Projects (India) Limited- 4th Respondent for ₹ 14015.82 Lakhs (equivalent to US\$ 17,908,066.62) to be paid jointly or severally and also file claim of ₹ 6104.70 Lakhs (equivalent to US\$ 7,800,000) on Engineering Projects (India) Limited due to non-compliance of Assignment letter issued by EPI in favor Oman Arab Bank. Last hearing was held on 22-04-2024 & next hearing postpone to 26-05-2024. Refer to note no. 2.53(a).</p> <p>b. Company claimed an amount of RO.4,650,904/- (₹ 94,64,12,454.96) upto March 2023 from MOD on account of the increase in fuel prices and visa charges & VAT reimbursement as per the conditions as given in the main contract. MoD has released OMR 751017 (₹15,28,24,449.33) to Muscat Primary Court on behalf of M/s C&C Constructions Limited on 04-03-2024, OMR 1,844,890.579 (₹ 37,54,16,783.92) to M/s Sarooj Construction on 24-03-2024 & OMR 77,089.032 (₹ 1,56,86,847.12) to MSA Global LLC on 27-03-2024. Balance amount will be released shortly. Refer to note no. 2.53 (b).</p> <p>MOD had blocked an amount of RO.11.35 Million as per the direction from the Primary Court of Sultanate of Oman in connection with the case filed by C & C Oman L.L.C. Subsidiary of C & C Construction Ltd – India). EPI has collected the details of case no 119/1310/2021 and filed an appeal in the Muscat Primary Court. On 11-06-2023, Primary Court, Muscat has issued the Judgment in favor of C&C (Oman) LLC. Appeal against judgment had been filed by EPI to challenge the judgment issued by primary court and hearing at Appeal Court scheduled on 17 Aug 2023. Further, on 13.03.2023 C&C (Oman), LLC filed the petition (294/4104/294) in Primary Court, Muscat for Seizure of EPI's all accounts, funds and banking & financial transactions in Sultanate of Oman linked to this ongoing commercial case 119/1310/2021 and on 14.03.2023, Primary Court issued the judicial decision</p>	<p>No comments. This is Factual Possition which is appearing in note no. 2.53</p>

S.No.	Auditor's Key Audit Matters	Company's Reply
	<p>124/2023 for freezing of EPI's bank accounts in Oman and also informed to Central Bank of Oman (CBO) to implement the decision. Accordingly, on 15th March 2023, all the bank Accounts were frozen and made inoperative. Further, on 27.03.2023, EPI filed the petition in primary court for unfreezing of EPI's bank accounts in Oman. Hearing was concluded on 16.04.2023 and on 01.05.2023, Hon'ble Primary Court issued the decision to cancel the order dated 14.03.2023 of freezing EPIs Bank Accounts in a Court Case filed by M/s C&C Oman LLC. On 14-05-2023, M/s C&C (Oman) LLC filed an Appeal against primary court judgment. On 06-07-2023, an Appeal was submitted by M/s C&C (Oman) LLC and accepted by Court which superseded the Judgment issued by Primary Court, which was in favor of EPI. Judgment copy is yet to be receive from Appeal Court. EPI has proposed to challenge the decision in High Court, after reviewing the judgment with legal counsel. Further with the intervention of His Majesty Office and support of MoD reconciliation record was signed on 09-01-2024 by representative of Muscat Primary Court, MoD, EPI, Al-Naba& lawyers of both side and case was closed by Muscat Primary Court and Further EPI banks accounts was opened on 19-03-2024 for banking operations. Refer to note no. 2.53(c).</p>	
<p>16.</p>	<p>Arbitration in Overseas Branch</p> <p>M/s MSA Global LLC, who are our subcontractors have submitted the request for Arbitration in ICC on 12.04.2023. Notification issued by ICC on 18.04.2023. M/s MSA Global & EPI have appointed Arbitrators respectively from their sides and third Arbitrator appointed by them. MSA Global LLC has submitted claim for US\$ 45 Million (₹ 382 Crore) against EPI and EPI submitted counter claim of US\$ 5 Million (₹ 41 Crore) in ICC Singapore. The pleadings/ documentation is in process as per procedural time table issued by ICC in the matter. Refer to note no. 2.53(d).</p>	<p>No comments This is factual position.</p>
<p>17.</p>	<p>Bank Balance Confirmation in Overseas Branch</p> <p>We have requested but did not receive balance confirmation from Bank Muscat SAOG, in the absence of which, we could not satisfy our selves as to whether all the transactions and liabilities are recorded by the EPIL Oman Branch. We were informed that the bank accounts have been frozen as per the directives of Central Bank of Oman.</p>	<p>Bank Muscat account is dormant and EPI is in process to close the bank account and available fund will be transferred to State Bank of India-Muscat in due course of time.</p>

BALANCE SHEET AS AT 31ST MARCH, 2024

(Amount in ₹ Lakhs)

	Particulars	Note No.	As at 31st March, 2024		As at 31st March, 2023	
I.	EQUITY AND LIABILITIES					
1	Shareholders' Funds					
	a) Share Capital	2.1	3,542.27		3,542.27	
	b) Reserves and Surplus	2.2	(1,285.84)		4,850.10	
	c) Money Received Against Share Warrants		-	2,256.43	-	8,392.37
2	Share Application Money Pending Allotment			-		-
3	Non Current Liabilities					
	a) Long Term Borrowings		-		-	
	b) Deferred Tax Liabilities (Net)		-		-	
	c) Other Long - Term Liabilities	2.3	71,507.64		59,518.20	
	d) Long - Term Provisions	2.4	5,432.63	76,940.27	5,053.04	64,571.24
4	Current Liabilities					
	a) Short Term Borrowings	2.5	201.39		1,697.07	
	b) Trade Payables:-	2.6				
	i) Due to micro enterprises and small enterprises		2,509.24		2,697.21	
	ii) Due to Other than micro enterprises and small enterprises		17,686.61		12,467.40	
	c) Other Current Liabilities	2.7	1,12,374.85		1,30,071.14	
	d) Short Term Provisions	2.8	880.44	1,33,652.53	556.29	1,47,489.11
	Total			2,12,849.23		2,20,452.72
II.	ASSETS					
1	Non Current Assets					
	a) Property, Plant & Equipment and Intangible Assets					
	i) Property, Plant & Equipment	2.9(i)	605.36		660.93	
	ii) Intangible Assets	2.9(ii)	50.75		68.20	
	iii) Capital Work-in-progress		-		-	
	iv) Intangible Assets Under Development	2.9(iii)	-		-	
	b) Non-Current Investment		-		-	
	c) Deferred Tax Assets (net)	2.10	1,451.82		1,080.47	
	d) Long Term Loans and Advances	2.11	7,805.45		7,437.30	
	e) Other Non Current Assets	2.12	48,281.14	58,194.52	47,404.55	56,651.45
2	Current Assets					
	a) Current Investments	2.13	-		-	
	b) Inventories	2.14	274.03		210.74	
	c) Trade Receivables	2.15	13,835.10		13,719.76	
	d) Cash and Cash Equivalents					
	i) Cash and cash equivalents	2.16 (i)	54,037.80		41,823.53	
	ii) Other Bank Balance	2.16 (ii)	5,337.03		10,929.07	
	e) Short Term Loans and Advances	2.17	19,016.19		21,757.76	
	f) Other Current Assets	2.18	62,154.56	1,54,654.71	75,360.41	1,63,801.27
	Total			2,12,849.23		2,20,452.72
	Significant Accounting Policies	1		-		-
	Notes to accounts	2.1 to 2.54		-		-

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

For and on behalf of the Board of Directors

As per our report of even date attached

For VSD & Associates
Chartered Accountants
Firm Registration No.008726N

Sd/-
(CA HEMA DUDEJA)
Partner
Membership No. 501001
Place: New Delhi
Dated: 25th July 2024
UDIN : 24501001BKEEND9520

Sd/-
(DIBENDU DAS)
Director (Finance) & CFO
DIN: 10234285

Sd/-
(SHIVENDRA NATH)
Chairman cum Managing Director
DIN: 10397812

Sd/-
(ASHOK KUMAR PATRA)
GGM (Finance)

Sd/-
(NITESH KUMAR GOYAL)
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

(Amount in ₹ Lakhs)

Particulars		Note No.	Year ended 31st March, 2024	Year ended 31st March, 2023
I.	Revenue From Operations	2.19	84,396.90	1,13,196.27
II.	Other Income	2.20	1,477.88	1,315.59
III.	Total Income (I+II)		85,874.78	1,14,511.86
IV.	Expenses:			
	Operating Expenses	2.21	80,241.94	1,03,709.77
	Employee Benefits Expenses	2.22	7,666.49	7,428.72
	Finance Costs	2.23	950.69	383.14
	Depreciation & Amortisation Expenses	2.9	111.51	112.54
	Other Expenses	2.24	3,361.91	2,615.47
	Prior Period Expenses (Net)	2.25	47.95	-
	Total Expenses		92,380.49	1,14,249.64
V.	Profit/ (Loss) before exceptional and extraordinary items and tax (III-IV)		(6,505.71)	262.22
VI.	Exceptional Items-Loss on sale of Fixed Assets		1.58	2.37
VII.	Profit/ (Loss) before Extraordinary Items and Tax (V-VI)		(6,507.29)	259.85
VIII.	Extraordinary Items		-	-
IX.	Profit/(Loss) Before Tax (VII-VIII)		(6,507.29)	259.85
X.	Tax Expense			
	(1) Current Tax		-	0.73
	(2) Earlier Years Tax Adjustments (net)		-	-
	(3) Deferred Tax		(371.35)	214.85
XI.	Profit/ (Loss) from Continuing Operations (IX-X)		(6,135.94)	44.27
XII.	Profit / (Loss) from discontinuing Operations		-	-
XIII.	Tax Expense of discontinuing Operations		-	-
XIV.	Profit / (Loss) from discontinuing Operations (After Tax) (XII-XIII)		-	-
XV.	Profit / (Loss) for the year (XI+XIV)		(6,135.94)	44.27
XVI.	Earnings Per Share			
	(1) Basic	2.39	(17.32)	0.12
	(2) Diluted		(17.32)	0.12
	Significant Accounting Policies	1		
	Notes to Accounts	2.1 to 2.54		

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

For and on behalf of the Board of Directors

As per our report of even date attached

For VSD & Associates
Chartered Accountants
Firm Registration No.008726N

Sd/-
(CA HEMA DUDEJA)
Partner
Membership No. 501001
Place: New Delhi
Dated: 25th July 2024
UDIN : 24501001BKEEND9520

Sd/-
(DIBENDU DAS)
Director (Finance) & CFO
DIN: 10234285

Sd/-
(ASHOK KUMAR PATRA)
GGM (Finance)

Sd/-
(SHIVENDRA NATH)
Chairman cum Managing Director
DIN: 10397812

Sd/-
(NITESH KUMAR GOYAL)
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

(Amount in ₹ Lakhs)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEM	(6,507.29)	259.85
ADJUSTMENTS FOR:		
- DEPRECIATION AND AMORTIZATION	111.51	112.54
- LOSS/(PROFIT) ON SALE OF ASSETS (Net)	1.58	2.37
- INTEREST INCOME ON FDs	(220.57)	(36.01)
-EFFECT OF FOREIGN EXCHANGE (Net)	(78.84)	415.26
-INTEREST EXPENSES	950.69	383.14
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(5,742.92)	1,137.15
- DECREASE/(INCREASE) IN INVENTORIES	(63.29)	(14.38)
- DECREASE/(INCREASE) IN TRADE RECEIVABLES	(198.68)	6,045.12
- (DECREASE)/ INCREASE IN TRADE PAYABLES	4,262.99	(26,489.45)
- DECREASE/(INCREASE) IN FDs UNDER LIEN	(4.92)	(4.43)
- INCREASE/(DECREASE) IN WORKING CAPITAL	(2,920.40)	18,774.48
CASH GENERATED FROM OPERATIONS	(4,667.22)	(551.51)
Less:		
-INTEREST EXPENSES	(950.69)	(383.14)
- INCOME TAX	371.35	(215.58)
NET CASH FROM OPERATING ACTIVITIES	(5,246.56)	(1,150.23)
CASH FLOWS FROM INVESTING ACTIVITIES		
- PURCHASE/CONSTRUCTION OF FIXED ASSETS	(44.02)	(88.71)
- PROCEEDS FROM SALE OF ASSETS	3.95	8.22
- DECREASE/(INCREASE) IN DTA	(371.35)	214.85
- DECREASE/(INCREASE) IN Long Term Advances	(368.15)	(427.87)
- DECREASE/(INCREASE) IN Other Non Current Assets	(788.33)	6,915.08
- INTEREST INCOME	220.57	36.01
NET CASH FROM INVESTING ACTIVITIES	(1,347.33)	6,657.59
CASH FLOW FROM FINANCING ACTIVITIES		
- DIVIDEND PAID	-	-
- DIVIDEND TAX PAID	-	-
- (DECREASE)/INCREASE of Long Term Provisions	379.59	295.10
- (REPAYMENT)/Proceeds of Long Term Liabilities	12,757.69	(1,600.24)
NET CASH USED IN FINANCING ACTIVITIES	13,137.28	(1,305.14)
EFFECT OF FOREIGN EXCHANGE	78.84	(415.26)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	6,622.23	3,786.96
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	52,752.60	48,965.64
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	59,374.83	52,752.60
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
CASH IN HAND (REFER NOTE NO 2.16)	-	-
CHEQUES IN HAND (REFER NOTE NO 2.16)	-	-
REMITTANCE IN TRANSIT	-	-
BALANCE WITH BANK'S IN CURRENT ACCOUNTS (REFER NOTE NO 2.16)	54,037.80	41,823.53
BALANCE WITH OTHER BANK'S FIXED DEPOSITES OTHER (REFER NOTE NO 2.16)	5,337.03	10,929.07
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	59,374.83	52,752.60

NOTE:

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

For and on behalf of the Board of Directors

As per our report of even date attached

For VSD & Associates
Chartered Accountants
Firm Registration No.008726N

Sd/-
(CA HEMA DUDEJA)
Partner
Membership No. 501001
Place: New Delhi
Dated: 25th July 2024
UDIN : 24501001BKEEND9520

Sd/-
(DIBENDU DAS)
Director (Finance) & CFO
DIN: 10234285

Sd/-
(SHIVENDRA NATH)
Chairman cum Managing Director
DIN: 10397812

Sd/-
(ASHOK KUMAR PATRA)
GGM (Finance)

Sd/-
(NITESH KUMAR GOYAL)
Company Secretary

Notes to Financial Statement:-

(For the year ended 31st March 2024)

1. Significant Accounting Policies

1. Basis of accounting

- a) The financial statements are prepared under historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India and to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (the “2013 Act”). The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.
- b) All Assets and Liabilities have been classified as current or non-current as per the criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time within which the assets are expected to be realized in cash and cash equivalents in the ordinary course of business, the company has ascertained its operating cycles as 12 months for the purpose of current and non-current classification of assets and liabilities.

2. Use of estimates

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

3. Revenue recognition

- a) Contract Revenue is recognised to the extent it is probable that economic benefits will flow to the company and revenue can be reliably measured. Revenue is recognised by adding the aggregate cost of work and proportionate margin using the percentage of completion method. The percentage of completion is determined as a proportion of cost incurred to date to the total estimated cost of the contract revised annually.
- b) At the year end, works executed but not measured/partly executed are accounted for based on certification by Internal Engineers, entries arising out of such accounting are reversed in the following accounting year. Accordingly, statutory obligations are met with at the time of actual receipt/ issue of bills/claims.
- c) In case of projects foreclosed/terminated, revenue is recognised only to the extent of contract value of which recovery is probable.
- d) Revenue from consultancy services is recognised on proportionate completion method. In respect of cases where ultimate collection with reasonable certainty is lacking at the time of claim,

recognition is postponed till collection is made.

- e) In case of contracts where the contract costs exceed the contract revenues, anticipated loss is recognised immediately.
- f) Escalation and extra works not provided for in the contract with client, claims arising out of arbitration awards and insurance claims are accounted for on receipt basis.
- g) Liquidated damages arising from contractual obligations in respect of contracts under dispute/ negotiation and not considered payable/receivable are not accounted for till final settlement.
- h) The contract is considered as closed for accounting purposes upon final billing, commissioning certificate, commercial run, foreclosure and/or termination whichever is earlier.
- i) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- j) Revenue from rent is recognized on accrual basis, based on the lease agreements with the tenants except where the ultimate collection is considered doubtful.
- k) In case of Project Management Consultancy work, where the responsibility of total execution, Billing, collection, compliances of Taxes including Defect Liability (DLP) etc. lies on company, the turnover will be recognized on percentage completion method based on cost plus margin.

4. Inventory

(i) Materials

- a) Construction materials, consumables and stores & spares excluding steel, cement and pipes are charged to contract cost at the time of purchase. Sale proceeds on account of disposal of such left out materials are accounted as miscellaneous income in the year of sale.
- b) Stock of steel, cement and pipes are valued at lower of cost or net realisable value. Cost includes freight and other related incidental expenses and is arrived at on weighted average cost.

(ii) Work in Progress

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

5. Foreign exchange transactions

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

- i) Revenue items (income and expenditure) are translated into Indian currency on the basis of average of buying rate prevalent on the last working day of each month of the relevant financial year.
- ii) Property, Plant and Equipment and non-monetary items are translated at the buying rate at the date of transaction.

- iii) Depreciation is translated at the rates used for the translation of the value of the assets on which depreciation is calculated.
- iv) Inventories are translated at the buying rates prevalent at each balance sheet date.
- v) Monetary items (assets and liabilities) and contingent liabilities are translated at the prevailing closing buying rate at each balance sheet date.

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

6. Property, Plant and Equipment

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

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

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

7. Depreciation

- a) Depreciation on Property, Plant and Equipment is calculated on straight line basis based on the useful life of assets in accordance with the Schedule II of the Companies Act, 2013 and 95% of the cost is written off during the expected useful life of assets.
- b) The following rates of depreciation derived on the basis of useful life of the assets have been adopted-

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

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

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

- c) Property, Plant and Equipment acquired during the period, individually costing upto ₹5,000/- are fully depreciated in a year of purchase. However, Mobile phones provided to employees are charged to statement of profit and loss irrespective of its value".
- d) Leasehold Land & Leasehold Building are amortised over the period of lease or over the specified period calculated as per the rates adopted by the Company whichever is less. Leasehold land under perpetual lease is not being amortised and carried at cost.
- e) Intangible Assets are stated at cost less accumulated amortization and impairment. Software, which is not integral part of related hardware, is treated as intangible asset and amortized on straight line method over a period of three years or its license period, whichever is less. Intangible assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

8. Employee Benefits

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

9. Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources would be required to settle the obligation, and in

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

10. Provision for Doubtful Debts/ Loans and Advances

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

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

11. Segment Reporting

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

12. Impairment of assets

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

13. Taxation

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted

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

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

14. Leases

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

The Company as a lessor: Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

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. Adjustment pertaining to Prior Period Items and Prepaid Expenses

- a) Prior Period Items: Income/Expenditure pertaining to prior period upto ₹1.00 lakhs in each case are not considered material and are included under the income/expenditure of the current year.
- b) Prepaid Expenses: Prepaid expenditure upto Rupee ₹1.00 lakhs in each case not being considered material is included under the expenditure of the current year.

17. Allocation of Corporate Office Overheads

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

18. Investments

Long term investments are stated at cost. Permanent decline in the value of such investments is recognized and provided for.

Current investments are stated at lower of cost and quoted/fair value. Unquoted current investments are stated at cost.

19. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

20. Dividend

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

Note No. 2.1

(Amount in ₹ Lakhs)

Share Capital	As at 31st March 2024	As at 31st March 2023
Authorised 90,94,04,600 Equity Shares of ₹ 10/- Each Fully Paid Up (P.Y. 90,94,04,600 Equity Shares of ₹ 10/- Each Fully Paid Up)	90,940.46	90,940.46
Issued, Subscribed and Fully Paid up 3,54,22,688 Equity Shares of ₹ 10/- Each Fully Paid Up (P.Y. 3,54,22,688 Equity Shares of ₹ 10/- Each Fully Paid Up)	3,542.27	3,542.27
Total	3,542.27	3,542.27

Note 2.1 (A)

Reconciliation of No. of Shares Outstanding	As at 31st March 2024	As at 31st March 2023
	Number	Number
At the beginning of the year	3,54,22,688	3,54,22,688
At the end of the year	3,54,22,688	3,54,22,688

Note 2.1 (B)

Number of Shares Held by Each Shareholder holding More Than 5%	As at 31st March 2024		As at 31st March 2023	
	No. of Shares	% age Holding	No. of Shares	% age Holding
		3,54,15,677		99.98

Note 2.1 (C)

Shares held by Promoters		As at 31st March 2024			As at 31st March 2023		
Sl. No.	Name	No. of Shares	% age of Total Shares	% Change during the year	No. of Shares	% age of Total Shares	% Change during the year
1.	The President of India	3,54,15,677	99.98%	-	3,54,15,677	99.98%	-
2.	Heavy Engineering Corporation Limited	3575	0.01%	-	3575	0.01%	-
3.	Bharat Heavy Electricals Limited	1892	0.01%	-	1892	0.01%	-
4.	Mining & Allied Machinery Corporation Limited*	490	0.00%	-	490	0.00%	-
5.	Triveni Structurals Limited*	490	0.00%	-	490	0.00%	-
6.	Instrumentation Limited	350	0.00%	-	350	0.00%	-
7.	Hindustan Steelworks Constructions Limited	210	0.00%	-	210	0.00%	-
8.	EPI Share Holder's Trust	4	0.00%	-	4	0.00%	-

* under Liquidation

Note No. 2.2

(Amount in ₹ Lakhs)

Reserve & Surplus	As at 31st March 2024	As at 31st March 2023
A) Capital Reserve		
Balance as at the beginning and end of the year	2.10	2.10
B) General Reserve		
Balance as at the beginning of the year	2,115.00	2,115.00
Add: Addition during the year	-	-
Balance as at the end of the year	2,115.00	2,115.00
C) Surplus i.e. Balance in Statement of Profit and Loss		
Balance as at the beginning of the year	2,733.00	2,688.73
Add: Profit/(Loss) for the year	(6,135.94)	44.27
Less: Dividend Paid*	-	-
Less: Transfer of Last Year Profit	-	-
Balance as at the end of the year	(3,402.94)	2,733.00
Total (A+B+C)	(1,285.84)	4,850.10

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

Note No. 2.3

(Amount in ₹ Lakhs)

Other Long Term Liabilities	As at 31st March 2024	As at 31st March 2023
Trade Payables*		
- Micro, Small & Medium Enterprises **	-	-
- Other than Micro, Small & Medium Enterprises	6,201.90	6,970.15
- Disputed Dues- Micro, Small & Medium Enterprises	-	-
- Disputed Dues -Other than Micro, Small & Medium Enterprises	1,054.09	1,054.09
Other Liabilities		
- Security Deposits & Retention Money #	25,159.24	22,310.78
-Advance Received from Clients	30,628.54	19,776.23
- Other Payable to Clients, Vendors & Others	8,463.87	9,406.95
Total	71,507.64	59,518.20

* Refer the Note No. 2.8A for Trade Payable ageing schedule as per Notification dtd 24.03.2021 w.r.t. amendments in Schedule III.

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

Includes an amount of ₹1906.64 Lakhs received by EPIL in lieu of Bank Guarantee provided by EPIL for ₹4554.00 Lakhs on behalf of C&C Constructions Limited in Myanmar Project.

Note No. 2.4

(Amount in ₹ Lakhs)

Long Term Provisions	As at 31st March 2024	As at 31st March 2023
Provision for other expenses	1,659.21	1,659.22
Provision for Expected Loss (As per AS-7)	274.36	277.79
Employee Benefits:		
-Leave Encashment	1,257.29	1,125.06
-Gratuity	44.72	49.13
-Long Service Award	22.65	17.89
-Post Retirement Medical Benefits	2,171.06	1,918.98
-Post Retirement Travelling Allowance	3.34	4.97
Total	5,432.63	5,053.04

Note No. 2.5

(Amount in ₹ Lakhs)

Short Term Borrowing	As at 31st March 2024	As at 31st March 2023
Secured		
- Loan Payable on Demand from Banks	-	-
Unsecured		
- Loan Payable on Demand from Banks *	201.39	1,697.07
Current Maturities of Long Term Borrowings	-	-
Total	201.39	1,697.07

*Amount of ₹201.39 Lakhs (previous year ₹1697.07 Lakhs) towards clean cash credit against fund based limit/short term loan with IOB Delhi.

Note No. 2.6

(Amount in ₹ Lakhs)

Trade Payables	As at 31st March 2024	As at 31st March 2023
Trade Payables*		
- Micro, Small & Medium Enterprises **	2,509.24	2,697.21
- Other than Micro, Small & Medium Enterprises	17,686.61	12,467.40
- Disputed Dues- Micro, Small & Medium Enterprises	-	-
- Disputed Dues - Other than Micro, Small & Medium Enterprises	-	-
Total	20,195.85	15,164.61

* Refer the Note No. 2.8A for Trade Payable ageing schedule as per Notification dtd 24.03.2021 w.r.t. amendments in Schedule III.

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

Based on information available with the company ₹2,509.24 Lakhs (previous year ₹2,697.21 Lakhs) was payable to MSME at the end of the year (refer note no 2.51).

Note No. 2.7

(Amount in ₹ Lakhs)

Other Current Liabilities	As at 31st March 2024	As at 31st March 2023
Advance From Clients	43,197.13	46,223.77
Security Deposits, Retention & Earnest Money	11,104.52	15,284.43
Outstanding Liabilities	628.55	674.14
Other Payable to Clients, Vendors & Others	45,252.44	58,147.76
Advance Revenue for Works #	7,665.55	4,821.82
Payable to Employees *	593.99	594.14
Additional Claims Payable	-	-
Statutory Liabilities	3,932.67	4,325.08
Total	1,12,374.85	1,30,071.14

* During the year ended on 31.03.2024 an amount of ₹23.06 Lakhs (previous year ₹23.06 Lakhs) related to Performance Related Pay is pending for release to certain employees.

Pursuant to the guidelines regarding pay revision (3rd PRC) w.e.f. 01.01.2017 provision of ₹NIL (previous year ₹NIL Lakhs) has been made in the books of accounts during FY 2023-24. The cumulative provision as at 31.03.2024 is ₹474.93 Lakhs (previous year ₹474.93 Lakhs).

#The Excess of Work in progress over “Amount Billed to Client” is shown as “Un-Billed Revenue” under the head “Other Current Assets”, on the Other hand, excess of “Amount Billed to Client” over “Work in progress” is shown above as “Advance Revenue for Work” under the head “Other Current Liability” (refer Note no. 2.18 also).

Note No. 2.8

(Amount in ₹ Lakhs)

Short Term Provisions	As at 31st March 2024	As at 31st March 2023
Provision for Expected Loss (As per AS-7)	35.49	35.49
Provision for Income Tax (Foreign)	-	-
Provision for Pay Revision (3rd PRC)	-	-
Employee Benefits:		
-Leave Encashment	165.47	265.57
-Gratuity	77.52	77.09
-Long Service Award	2.66	6.16
-Post Retirement Medical Benefits	598.99	171.40
-Post Retirement Travelling Allowance	0.31	0.58
Total	880.44	556.29

Trade Payables Ageing Schedule

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2024					As at 31st March 2023				
	Outstanding for following periods from due date of payment#					Outstanding for following periods from due date of payment#				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	2,509.24	-	-	-	2,509.24	2,692.46	4.75	-	-	2,697.21
Others	17,334.17	209.71	2,085.61	4,259.01	23,888.50	11,847.24	75.77	2,853.24	4,661.30	19,437.55
Disputed Dues-MSME	-	-	-	-	-	-	-	-	-	-
Disputed Dues -Others	-	-	5.15	1,048.94	1,054.09	-	-	-	1,054.09	1,054.09
Total	19,843.41	209.71	2,090.76	5,307.95	27,451.83	14,539.70	80.52	2,853.24	5,715.39	23,188.85

Similar information shall be given where no due date of payment is specified in that case disclosure shall be from the date of the transaction.

Note No. 2.9 (i)
Property, Plant & Equipments as at 31.03.2024

(Amount in ₹ Lakhs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK			
	OPENING BALANCE	ADDITIONS	ADJUST-MENT	SALE/ WRITTEN OFF	TOTAL	OPENING BALANCE	FOR THE YEAR	ADJUST-MENT	SALE/ WRITTEN OFF	TOTAL	As at 31st March 2024	As at 31st March 2023
Property, Plant & Equipment												
LAND FREEHOLD	-	-	-	-	-	-	-	-	-	-	-	-
LAND LEASEHOLD#	16.16	-	-	-	16.16	3.94	0.15	-	-	4.10	12.06	12.22
BUILDING FREEHOLD	46.87	-	-	-	46.87	32.18	1.09	-	-	33.26	13.61	14.71
BUILDING LEASEHOLD*	645.25	-	-	-	645.25	294.01	12.77	-	-	306.79	338.46	351.24
COMPUTER AND EQUIPMENTS	432.09	16.73	0.50	9.46	438.84	352.77	27.51	0.07	6.66	373.57	65.27	79.32
OFFICE AND OTHER EQUIPMENTS	269.83	8.26	-	5.06	273.03	226.45	11.99	-	4.81	233.64	39.39	43.38
CONSTRUCTION EQUIPMENTS	608.53	-	-	5.00	603.53	517.37	15.18	-	4.76	527.79	75.74	91.16
FURNITURES & FIXTURES	278.44	8.68	-	16.33	270.79	213.35	13.18	-	14.78	211.75	59.04	65.10
VEHICLES	39.90	-	-	3.88	36.02	36.06	1.83	-	3.68	34.23	1.79	3.83
TOTAL	2,337.07	33.66	0.50	39.73	2,330.49	1,676.13	83.70	0.07	34.68	1,725.13	605.36	660.93
PREVIOUS YEAR	2,395.36	87.62	3.89	144.13	2,337.07	1,730.24	81.22	0.33	136.49	1,676.13	660.93	

As per lease agreement (1998) between Rajasthan State Industrial and Development Corporation (RSIDCO) and Engineering Projects (India) Ltd. (EPIL), land admeasuring 10,000 sq. mt. was allotted to EPIL for the period of 99 years for setting up central workshop & equipment stores.

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

Note No. 2.9 (ii)
Intangible assets as at 31.03.2024

(Amount in ₹ Lakhs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK			
	OPENING BALANCE	ADDITIONS	ADJUST-MENT	SALE/WRITTEN OFF	TOTAL	OPENING BALANCE	FOR THE YEAR	ADJUST-MENT	SALE/WRITTEN OFF	TOTAL	As at 31st March 2024	As at 31st March 2023
INTANGIBLE ASSETS												
SOFTWARES (ACQUIRED)	326.44	10.36	-	-	336.79	258.24	27.81	-	-	286.04	50.75	68.20
TOTAL	326.44	10.36	-	-	336.79	258.24	27.81	-	-	286.04	50.75	68.20
PREVIOUS YEAR	247.23	1.09	78.38	-	326.70	227.18	31.32	-	-	258.50	68.20	

Note No. 2.9 (iii)
Intangible Assets as at 31.03.2024



(Amount in ₹ Lakhs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK			
	OPENING BALANCE	ADDITIONS	ADJUST-MENT	SALE/WRITTEN OFF	TOTAL	OPENING BALANCE	FOR THE YEAR	ADJUST-MENT	SALE/WRITTEN OFF	TOTAL	As at 31st March 2024	As at 31st March 2023
INTANGIBLE ASSETS (UNDER CONSTRUCTION)												
SOFTWARES (UNDER CONSTRUCTION)	-	-	-	-	-	-	-	-	-	-	-	78.38
TOTAL	-	-	-	-	-	-	-	-	-	-	-	78.38
PREVIOUS YEAR	78.38	-	(78.38)	-	-	-	-	-	-	-	-	
Gross Total Current Year	2,663.51	44.02	0.50	39.73	2,667.28	1,934.37	111.51	0.07	34.68	2,011.17	656.11	
Gross Total Previous Year	2,720.97	88.71	3.89	144.13	2,663.77	1,957.42	112.54	0.33	136.49	1,934.63	729.13	

*Refer the Additional regulatory information at Note No. 2.52 which contains Intangible assets under development aging schedule as per Notification dtd 24.03.2021 w.r.t. amendments in Schedule III.

Note No. 2.10

(Amount in ₹ Lakhs)

Deferred Tax Assets (Net)*	As at 31st March 2024	As at 31st March 2023
Depreciation on Fixed Assets	(56.11)	(51.95)
Provision for Doubtful Debts	1,055.84	819.04
Provision for Employee Benefits (AS-15)	374.11	234.53
Other Disallowances	77.98	78.85
Total	1,451.82	1,080.47

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

Note No. 2.11

(Amount in ₹ Lakhs)

Long term Loans and Advances	As at 31st March 2024	As at 31st March 2023
(Unsecured, Considered Good Unless Stated Otherwise)		
Advance for Works:		
-Mobilization Advance Secured Against BG	2,652.27	2,027.50
-Secured against Material	171.86	196.42
-Other Advances	2,249.67	2,249.48
Other Advances Considered Doubtful	656.63	656.71
	5,730.43	5,130.11
Less: Allowance for Bad & Doubtful Advances	(653.47)	(653.47)
	5,076.96	4,476.64
Staff Loans & Advances	4.14	6.18
Advance Tax /TDS Recoverable	-	0.03
Less: Provision for Income Tax	-	-
Advance Tax (Foreign)	-	-
MAT Credit	-	-
Indirect Tax (Recoverable, Input Tax Credit, Advance)	2,724.35	2,954.45
Total	7,805.45	7,437.30

Note No. 2.12

(Amount in ₹ Lakhs)

Other Non Current Assets	As at 31st March 2024		As at 31st March 2023	
Trade Receivables*				
Secured Considered Good	-		-	
Unsecured Considered Good	5,319.82		5,236.48	
Considered Doubtful	813.13		813.13	
	<u>6,132.95</u>		<u>6,049.61</u>	
Less: Allowance for Bad & Doubtful Recoveries	(638.99)	5,493.96	(638.99)	5,410.62
Security Deposits & Retention Money Considered Doubtful	12,979.53		11,936.83	
	880.22		880.22	
	<u>13,859.75</u>		<u>12,817.05</u>	
Less: Allowance for Bad & Doubtful Recoveries	(880.22)	12,979.53	(880.22)	11,936.83
Other Assets				
Fixed Deposits #		96.09		91.17
Recoverable from Clients, Vendors & Others	29,711.56		29,965.93	
Considered Doubtful	2,022.48		1,081.59	
	<u>31,734.04</u>		<u>31,047.52</u>	
Less: Allowance for Bad & Doubtful Recoveries	(2,022.48)	29,711.56	(1,081.59)	29,965.93
Total		48,281.14		47,404.55

*Refer the Note No 2.15A for Trade Receivables ageing schedule as per Notification dtd 24.03.2021 w.r.t. amendments in Schedule III.

As on 31.03.2024 Company has pledged fixed deposits amounting to ₹96.09 Lakhs (previous year ₹ 91.17 Lakhs) with clients/others on account of earnest money deposit/security deposit submitted to Client is under dispute, matter is sub-judice.

Note No. 2.13

(Amount in ₹ Lakhs)

Current Investments	As at 31st March 2024	As at 31st March 2023
Unquoted Investment in 51000 (P.Y. 51000) Equity Shares of Rs. 10/- Each Fully Paid up of EPI Urban Infra Developers Ltd. (Subsidiary Company)	-	5.10
Less Provision for Diminuation in Value of Investment.	-	(5.10)
Total	-	-

Note No. 2.14

(Amount in ₹ Lakhs)

Inventories	As at 31st March 2024	As at 31st March 2023
Materials : (Lower of Cost or NRV)		
-Steel	223.32	210.74
-Cement	-	-
-Pipes & Others	50.71	-
Total	274.03	210.74

Note No. 2.15

(Amount in ₹ Lakhs)

Trade Receivables	As at 31st March 2024	As at 31st March 2023
Trade Receivables*		
Secured Considered Good	-	-
Unsecured Considered Good	13,835.10	13,719.76
Considered Doubtful	-	-
	<u>13,835.10</u>	<u>13,719.76</u>
Less: Allowance for Bad & Doubtful Recoveries	-	-
Total	13,835.10	13,719.76

*Refer the Note No. 2.15A for Trade Receivables ageing schedule as per Notification dtd 24.03.2021 w.r.t. amendments in Schedule III.

Trade Receivables ageing schedule

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2024							As at 31st March 2023				
	Outstanding for following periods from due date of payment#							Outstanding for following periods from due date of payment#				
	Less than 6 Months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 6 Months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	9,139.54	37.00	3,036.87	0.02	4,057.03	16,270.47	11,529.77	179.15	77.82	471.56	3,813.48	16,071.78
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	292.99	292.99	-	-	-	-	292.99	292.99
(iii) Disputed Trade Receivables considered good	-	-	-	-	2,884.45	2,884.45	-	-	-	-	2,884.46	2,884.46
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	520.14	520.14	-	-	-	-	520.14	520.14
Total	9,139.54	37.00	3,036.87	0.02	7,754.62	19,968.05	11,529.77	179.15	77.82	471.56	7,511.07	19,769.37

similar information shall be given where no due date of payment is specified in that case disclosure shall be from the date of the transaction.

Note No. 2.16 (i)

(Amount in ₹ Lakhs)

Cash and cash equivalents	As at 31st March 2024	As at 31st March 2023
Cash & Cash Equivalents		
Balances With Banks		
-In Current Accounts*	27,461.71	17,492.68
-Fixed Deposit (With Maturity Upto 3 Months)**	26,576.09 54,037.80	24,330.85 41,823.53
Cash on Hand	-	-
Total	54,037.80	41,823.53

Note No. 2.16 (ii)

(Amount in ₹ Lakhs)

Other Bank Balances	As at 31st March 2024	As at 31st March 2023
Fixed Deposits # ** (With Maturity More Than 3 Months but less than 12 months)	5,337.03	10,929.07
Total	5,337.03	10,929.07

*Out of the above Balance in Current Account ₹26342.47 Lakhs (previous year ₹17226.69 Lakhs) is held as deposit on behalf of client.

**Out of the above Balance in Fixed Deposits ₹31079.05 Lakhs (previous year ₹34035.76 Lakhs) is held as deposit on behalf of client.

As on 31.03.2024 Company has pledged fixed deposits amounting to ₹77.90 Lakhs (Previous year ₹64.75 lakhs) with clients/others on account of earnest money deposit/security deposit/Sales Tax Department.

Note No. 2.17

(Amount in ₹ Lakhs)

Short Term Loan & Advances	As at 31st March 2024	As at 31st March 2023
(Unsecured, Considered Good Unless Stated Otherwise)		
Advance for Works:		
-Mobilization Advance Secured Against BG	450.87	828.39
-Secured Against Material	243.47	251.75
-Other Advances	966.23	811.21
Advance Tax /TDS Recoverable	1,660.57	1,891.35
Indirect Tax (Recoverable, Input Tax Credit, Advance)	3,407.48	3,414.34
Staff Loans & Advances	6,897.45	5,584.69
Security, Retention & Earnest Money Receivable	46.78	42.13
	7,003.91	10,825.25
Total	19,016.19	21,757.76

Note No. 2.18

(Amount in ₹ Lakhs)

Other Current Assets	As at 31st March 2024	As at 31st March 2023
Interest Accrued but not due on Bank Deposits	217.24	217.68
Prepaid Expenses	105.11	75.87
Recoverable from Clients, Vendors & Others*	19,752.49	26,204.50
Unbilled Revenue#	42,079.72	48,862.36
Total	62,154.56	75,360.41

*Includes an amount of ₹7,590. Lakhs (INR Seventy Five Crore & Ninety Lakhs Only)[Excluding foreign exchange effect Gain/(loss)] towards invocation of BG by MEA which was submitted by EPIL as Performancee Bank Guarantee in Myanmar Project.

#The Excess of Work in progress over “Amount Billed to Client” is shown as “Un-Billed Revenue” under the head “Other Current Assets”, on the Other hand, excess of “Amount Billed to Client” over “Work in progress” is shown above as “Advance Revenue for Work” under the head “Other Current Liability” (refer Note no. 2.7 also).

Note No. 2.19

(Amount in ₹ Lakhs)

Revenue From Operations	For the Year ended 31st March 2024	For the Year ended 31st March 2023
Value of Work Done	84,304.57	1,11,729.97
Other Operating Income	92.33	1,466.30
Total	84,396.90	1,13,196.27

Note No. 2.20

(Amount in ₹ Lakhs)

Other Income	For the Year ended 31st March 2024	For the Year ended 31st March 2023
Interest Income earned on:		
Deposits with Bank	220.57	36.01
Staff Advances	1.50	-
Other (Sub Contractor / Clients /I. T. Refund)	215.62	274.08
	437.69	310.09
Other non-Operating Income:	-	-
Unspent Liabilities/ Balances Written Back	303.85	297.79
Claims Received	-	27.40
Miscellaneous Income	650.29	642.38
Foreign Exchange Variation Gain	86.05	37.93
Reversal of Provision for Expected Loss as per AS-7	-	1,005.50
Total	1,477.88	1,315.59

Note No. 2.21

(Amount in ₹ Lakhs)

Operating Expenses	For the Year ended 31st March 2024	For the Year ended 31st March 2023
Civil, Mechanical, Electrical Works	79,237.04	1,00,873.67
Design & Consultancy Charges	833.01	1,673.33
Other Direct Expenditure	175.33	167.02
Provision for Expected Loss (As per AS-7)	(3.44)	(288.17)
Claims Paid	-	1,282.16
Royalty	-	1.76
Total	80,241.94	1,03,709.77

Note No. 2.22

(Amount in ₹ Lakhs)

Employee Benefits Expenses	For the Year ended 31st March 2024	For the Year ended 31st March 2023
Salary & Allowances	5,920.88	5,988.15
Contribution to Provident & Gratuity Funds	563.82	631.51
Staff Welfare Expenses *	1,181.79	809.06
Total	7,666.49	7,428.72

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

Note No. 2.23

(Amount in ₹ Lakhs)

Finance Cost	For the Year ended 31st March 2024	For the Year ended 31st March 2023
Interest Paid to		
- Bank	240.96	284.69
- Others	709.73	98.45
Total	950.69	383.14

Note No. 2.24

(Amount in ₹ Lakhs)

Other Expenses	For the Year ended 31st March 2024	For the Year ended 31st March 2023
Printing & Stationery	55.73	54.64
Gifts & Donations	-	-
Rates & Taxes	277.55	81.59
Postage & Telecommunication	90.55	101.13
Repair & Maintenance		
Office	328.46	312.69
Building	10.95	10.74
Other Fixed Assets	0.63	0.11
Computer Expenses	61.36	63.78
Water Power & Fuel charges	125.09	119.02
Tendering Expenses	6.25	9.71
Advertisement & Publicity	10.78	15.17
Legal & Professional Charges	542.56	244.04
Advisors On Contract	-	2.09
Insurance	26.03	64.87
Entertainment	11.26	13.23
Bank Charges	57.94	157.18
Vehicle Running & Maintenance	23.26	27.80
Manpower Development	5.07	0.22
Sponsorship Fee	0.55	2.00
Travelling & Other Incidental Expenses (Domestic)	479.87	532.47
Travelling & Other Incidental Expenses (Foreign) \$	10.27	14.67
CSR & Sustainability	-	-
Auditor's Remuneration @	18.83	19.44
Business Promotion	10.35	54.76
Office Rent	210.73	209.83
Membership & Subscription Fee	1.74	1.45
Filing & Registration Fee	5.16	4.71
Provision for Doubtful Debts, Loans & Advances	940.90	-
& Others#*		
Amounts Written off for Doubtful Recovery	2.13	1.08
Foreign Exchange Variation (Gain)/ Loss	7.21	453.19
Miscellaneous Expenses	40.70	43.86
Total	3,361.91	2,615.47

* Refer Note No. 2.26

@ Details in respect of payment to auditors:

(Amount in ₹ Lakhs)

Auditors' Remuneration	For the Year ended 31st March 2024	For the Year ended 31st March 2023
Audit Fee #	12.02	15.80
Tax Audit #	2.21	3.25
Other Services (Certification fee)	4.60	0.39
Other Expenses	-	-
Total	18.83	19.44

Auditors Remuneration are recorded without GST.

Note No. 2.25

(Amount in ₹ Lakhs)

Prior Period Adjustments (Net)	For the Year ended 31st March 2024	For the Year ended 31st March 2023
Income		
Operating Income	-	-
Other Income	-	-
Sub-Total of Prior Period Income (A)	-	-
Less: Expenses		
Operating Expenses	-	-
Employee Remuneration and Benefits	-	-
Depreciation	-	-
Others -Finance Cost	47.95	-
Sub-Total Prior Period Expenses(B)	47.95	-
Total Prior Period Expenses (Net) (B-A)	47.95	-

Note No. 2.26

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

i) Details of Contingent Liabilities and Commitments:

(Amount in ₹ Lakhs)

Contingent Liabilities and Commitments		As at	As at
Claims against the company not acknowledged as debts :		31st March 2024	31st March 2023
1	In respect of legal and Arbitration:		
a	Claims pending for adjudication, amount thereof has been taken wherever quantified or reasonably ascertainable.*	1,01,952.49	54,597.14
b	In respect of cases where awards are published in favor of company but defendants have gone to appeal.*	14,517.49	14,517.49
	Sub Total (1)	1,16,469.98	69,114.63
2	In respect of Income Tax/ Sales Tax / Works Contract Tax/ Service Tax demand in respect of assessments under dispute/appeals.	4,091.21	4,150.05
3	In respect of Guarantees issued on behalf of Client	-	-
	Grand Total (1+2+3)	1,20,561.18	73,264.68

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

ii) Details of Provisions:

(Amount in ₹ Lakhs)

Particulars	Opening Balance	Provision made during the year	Paid/Adj. during the year	Provision written back	Closing Balance
(i)	(ii)	(iii)	(iv)	(v)	(vi)= (ii+iii-iv-v)
Project Contingencies*	3,254.26	940.90	-	-	4,195.16
Employee Benefits	3,636.84	1,119.32	419.80	(7.65)	4,344.01
Pay Revision (3rd PRC)	474.93	-	-	-	474.93
Total	7,366.03	2,060.22	419.80	(7.65)	9,014.10
Previous Year	7,505.98	671.91	696.25	115.61	7,366.03

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

Note No. 2.27

Estimated amount of contracts remaining to be executed on development of Intangible Asset and not provided for ₹NIL (previous year ₹NIL Lakhs) on account of implementation of ERP.

Note No. 2.28
Expenditure in Foreign Currency:

(Amount in ₹ Lakhs)

Sl. No.	Particulars	For the Year ended 31st March 2024	For the Year ended 31st March 2023
1	Operational Expenditure	2,068.23	4,244.24
2	Professional & Consultancy Charges	248.61	28.91
3	Foreign Exchange Fluctuation Loss	7.21	453.19
4	Purchase of Fixed Assets	-	3.09
5	Administrative & Other Expenses:	-	-
a	Travel	27.25	65.50
b	Tendering Expenses	-	-
c	Others	298.14	686.47
TOTAL		2,649.44	5,481.40

Earning in Foreign currency:

(Amount in ₹ Lakhs)

Sl. No.	Particulars	For the Year ended 31st March 2024	For the Year ended 31st March 2023
1	Work Receipts	2,339.51	4,533.13
2	Interest Income	9.66	5.67
3	Foreign Exchange Fluctuation Gain	86.03	37.93
4	Others	6.84	65.89
TOTAL		2,442.04	4,642.62

Foreign exchange remitted from Oman ₹247.70 Lakhs equivalent \$ 3.00 Lakhs during the financial year 2023-24 (previous year ₹NIL equivalent USD NIL).

Note No. 2.29

- Company has utilised non fund based limits of ₹55,528.82 Lakhs (Previous year ₹52,838.63 Lakhs) and fund based limits of ₹201.39 Lakhs (Previous year ₹1,697.07 Lakhs) against sanctioned limit of ₹70,161.52 Lakhs (previous year ₹75,302.00 Lakhs) from various banks without any security. The interest rate on the said fund based limits is "1 year MCLR+ 20 basis point" per annum.
- In lieu of BG provided by EPIL for ₹4,554.00 Lakhs on behalf of C&C Constructions Limited in Myanmar Project, EPIL has received ₹1,906.64 Lakhs and balance is secured against work done in Oman. MEA vide its letter dated 09th February, 2022 terminated the complete contract (Project for Construction of Two Lane Road on NH Specifications from Paletwa to India-Myanmar Border (Zorinpui) from Km 0.00 to Km 109.20 in Chin state of Myanmar) stating non-performance and subsequently invoked BG amounting to ₹75.90 cr. (EPI portion – ₹30.36 cr & C&C portion – ₹45.54

cr). In turn, EPI vide its letter dated 11th February, 2022 terminated the contract of its sub-contractor M/s RK-RPP JV (awarded value ₹414 cr) and invoked its BG due to non-performance of ₹20.70 cr (5% of ₹414 cr).

Further M/s EPI-C&C JV has jointly filed an appeal to Ministry of External Affairs (client) and Iacon Infrastructure & Services Limited on 20.02.2024 for the invoked BG amounting to ₹75.90 cr. (EPI portion – ₹30.36 cr & C&C portion – ₹45.54 cr) and thus claim of ₹75.90 Crore is shown as amount recoverable from client.

Note No. 2.30

Disclosure as per AS-17

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

Primary Segment Information-(Geographic)

(Amount in ₹ Lakhs)

Particulars	Current Year (2023-24)				Previous Year (2022-23)			
	Domestic	Foreign	Un-allocated	Total	Domestic	Foreign	Un- allocated	Total
Type of Business	Construction				Construction			
Revenue from Operation	82,057.39	2,339.51	-	84,396.90	1,08,663.14	4,533.13	-	1,13,196.27
Other Income	759.82	102.52	615.54	1,477.88	606.26	125.35	584.00	1,315.59
Total Income	82,817.21	2,442.03	615.54	85,874.78	1,09,269.40	4,658.48	584.00	1,14,511.86
Results								
Profit before Interest, Depreciation and Tax	(2,276.34)	(197.15)	(2,971.60)	(5,445.09)	3,895.58	(606.75)	(2,533.30)	755.52
Interest	392.81	-	557.88	950.69	98.44	-	284.69	383.13
Depreciation	41.33	3.44	66.74	111.51	44.82	3.93	63.79	112.54
Profit before Tax	(2,710.48)	(200.59)	(3,596.22)	(6,507.29)	3,752.31	(610.68)	(2,881.78)	259.85
Profit After Tax	(2,710.48)	(200.59)	(3,224.87)	(6,135.94)	3,752.31	(611.41)	(3,096.63)	44.27
Capital Expenditure Addition to Tangible and Intangible Assets)	24.55	-	19.47	44.02	57.39	3.09	28.23	88.71
Other Information	As at 31st March 2024				As at 31st March 2023			
Total Assets	1,80,178.81	22,631.56	10,038.85	2,12,849.22	1,76,711.89	33,374.10	10,366.74	2,20,452.73
Property, Plant and Equipment & Intangible Assets (Carrying Amount)	139.10	17.60	499.41	656.11	158.24	22.16	548.73	729.13
Total Liabilities	1,88,033.84	16,884.08	5,674.88	2,10,592.80	1,77,903.20	27,730.04	6,427.10	2,12,060.34

Note No. 2.31

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

(Amount in ₹ Lakhs)

Sl. No.	Particulars	As at 31.03.2024	As at 31.03.2023
1	Revenue from operations	84,396.90	1,13,196.27
2	Contract costs incurred and profit recognised upto the reporting date	12,80,970.95	12,12,658.65
3	Advances Received	73,825.67	66,000.00
4	Gross amount due from customers for contract work- presented as an asset (Unbilled Revenue)	42,079.72	48,862.36
5	Gross amount due to customers for contract work – presented as a liability. (Advance Revenue for Work)	7,665.55	4,821.82
6	Retention Money Receivable	15,680.28	19,034.44

Note No. 2.32

Details of Employee benefits as per AS-15:-

i) Changes in defined benefit obligation

Particulars	Year	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	23-24	7.20%	7.20%	7.20%	7.20%	7.20%
	22-23	7.40%	7.40%	7.40%	7.40%	7.40%
Rate of increase in compensation levels/ Premium Inflation/ Cost of Travel		3.00%	3.00%	-	3.00%	3.00%
Expected rate of return on assets	23-24	7.20%	-	-	-	-
	22-23	7.40%	-	-	-	-
Retirement Age *		60 years	60 years	60 years	60 years	60 years
Mortality Table		IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	Pre-retirement: IALM(2012-14) Ultimate Post Retirement: LIC (1996-98) Ult	IALM (2012-14) Ultimate
Age*	Employee Turnover (%)					
Upto 35 Years		3.00%	3.00%	3.00%	3.00%	3.00%
From 36 to 45 Years		2.00%	2.00%	2.00%	2.00%	2.00%
Above 46 Years		1.00%	1.00%	1.00%	1.00%	1.00%

* Same as previous year

(Amount in ₹ Lakhs)

Particulars	Year	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	23-24	1,532.65	1,390.63	24.05	2,090.38	5.55
	22-23	1,653.14	1,565.98	24.41	1,975.22	4.16
Current service cost	23-24	76.01	58.44	1.15	24.40	0.23
	22-23	81.47	58.17	1.14	27.65	0.26
Interest cost	23-24	102.47	102.91	1.55	148.35	0.39
	22-23	101.78	108.05	1.45	131.23	0.27
Actuarial (Gain)/loss	23-24	35.34	148.03	5.90	506.92	(1.18)
	22-23	32.53	117.19	6.00	92.67	1.61
Acquisition adjustment	23-24	5.75	7.65	-	-	-
	22-23	-	-	-	-	-
Benefits Paid	23-24	(249.74)	(284.89)	(7.35)	-	(1.35)
	22-23	(336.27)	(458.76)	(8.94)	(136.38)	(0.75)
Past Service Cost	23-24	-	-	-	-	-
	22-23	-	-	-	-	-
Projected Benefit Obligation at end of year	23-24	1,502.48	1,422.77	25.31	2,770.05	3.65
	22-23	1,532.65	1,390.64	24.05	2,090.38	5.55

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

(Amount in ₹ Lakhs)

Particulars	2023-24	2022-23
	(Funded)	(Funded)
Fair value of Plan Assets as at beginning of the year	1,406.43	1,562.59
Expected Return on Plan Assets	95.98	98.46
Actual Contributions	126.22	90.54
Actuarial Gain / (Loss)	(4.40)	(8.89)
Benefits Paid	(249.74)	(336.27)
Acquisition Adjustment	5.75	-
Fair value of Plan Assets as at end of the year	1,380.25	1,406.43

iii) Amount recognized in the Balance Sheet

(Amount in ₹ Lakhs)

Particulars	Year	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	23-24	1,502.48	1,422.77	25.31	2,770.05	3.65
	22-23	1,532.65	1,390.64	24.05	2,090.38	5.55
Fair value of plan assets as at end of year	23-24	1,380.25	-	-	-	-
	22-23	1,406.43	-	-	-	-
Funded Status Asset / (Liability)	23-24	(122.24)	(1,422.77)	(25.31)	(2,770.05)	(3.65)
	22-23	(126.22)	(1,390.64)	(24.05)	(2,090.38)	(5.55)
Net (Liability)/ Asset recognized in Balance Sheet	23-24	(122.24)	(1,422.77)	(25.31)	(2,770.05)	(3.65)
	22-23	(126.22)	(1,390.64)	(24.05)	(2,090.38)	(5.55)

iv) Expenses recognized in the Profit and Loss Account

(Amount in ₹ Lakhs)

Particulars	Year	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	23-24	76.01	58.44	1.15	24.40	0.23
	22-23	81.47	58.17	1.14	27.65	0.26
Interest cost	23-24	102.47	102.91	1.55	148.35	0.39
	22-23	101.78	108.05	1.45	131.23	0.27
Expected return on Plan Assets	23-24	(95.98)	-	-	-	-
	22-23	(98.46)	-	-	-	-
Net actuarial (Gain)/ Loss recognized in the period	23-24	39.74	148.03	5.90	506.92	(1.18)
	22-23	41.42	117.19	6.00	92.67	1.61
Past Service Cost	23-24	-	-	-	-	-
	22-23	-	-	-	-	-
Expenses recognized in the P & Loss A/c	23-24	122.24	309.37	8.60	679.66	(0.56)
	22-23	126.22	283.41	8.59	251.55	2.14

v) Comparative Data of last five years - Gratuity

(Amount in ₹ Lakhs)

S. No.	Particulars	31.03.2024	31.03.2023	31.03.2022	31.03.2021	31.03.2020
a)	Defined benefit obligation at the end of period	1,502.48	1,532.65	1,653.14	(1,671.42)	1,669.24
b)	Plan asset at the end of period	1,380.25	1,406.43	1,562.59	(1,412.92)	1,524.92
c)	Funded Status	(122.24)	(126.22)	(90.54)	(258.50)	(144.32)
d)	Experience adjustment on plan Liabilities (loss) / gain	(122.24)	(126.22)	(90.54)	(258.50)	(144.32)

vi) Comparative Data of last five years - Leave encashment

(Amount in ₹ Lakhs)

S. No.	Particulars	31.03.2024	31.03.2023	31.03.2022	31.03.2021	31.03.2020
a)	Defined benefit obligation at the end of period	1,422.77	1,390.64	1,565.98	1,597.51	1,462.65
b)	Fair value of Plan asset at the end of period	-	-	-	-	-
c)	Funded Status	(1,422.77)	(1,390.64)	(1,565.98)	(1,597.51)	(1,462.65)
d)	Net (Liability)/Asset recognized in Balance Sheet	(1,422.77)	(1,390.64)	(1,565.98)	(1,597.51)	(1,462.65)

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

(Amount in ₹ Lakhs)

S. No.	Particulars	31.03.2024	31.03.2023	31.03.2022	31.03.2021	31.03.2020
a)	Defined benefit obligation at the end of period	25.31	24.05	24.41	22.91	24.09
b)	Fair value of Plan asset at the end of period	-	-	-	-	-
c)	Funded Status	(25.31)	(24.05)	(24.41)	(22.91)	(24.09)
d)	Net (Liability)/Asset recognized in Balance Sheet	(25.31)	(24.05)	(24.41)	(22.91)	(24.09)

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

(Amount in ₹ Lakhs)

S. No.	Particulars	31.03.2024	31.03.2023	31.03.2022	31.03.2021	31.03.2020
a)	Defined benefit obligation at the end of period	2,770.05	2,090.38	1,975.22	1,895.80	1,705.57
b)	Fair value of Plan asset at the end of period	-	-	-	-	-
c)	Funded Status	(2,770.05)	(2,090.38)	(1,975.22)	(1,895.80)	(1,705.57)
d)	Net (Liability)/Asset recognized in Balance Sheet	(2,770.05)	(2,090.38)	(1,975.22)	(1,895.80)	(1,705.57)

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

(Amount in ₹ Lakhs)

S. No.	Particulars	31.03.2024	31.03.2023	31.03.2022	31.03.2021	31.03.2020
a)	Defined benefit obligation at the end of period	3.65	5.55	4.16	4.32	5.52
b)	Fair value of Plan asset at the end of period	-	-	-	-	-
c)	Funded Status	(3.65)	(5.55)	(4.16)	(4.32)	(5.52)
d)	Net (Liability)/Asset recognized in Balance Sheet	(3.65)	(5.55)	(4.16)	(4.32)	(5.52)

The company provides for gratuity, long term compensated absences, post-retirement medical benefits, long service award and one time post retirement travelling allowance on actuarial basis as per provision of AS-15.

Note No. 2.33

Related Party Disclosures

In accordance with Accounting Standard-18 "Related Party Disclosures" specified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts), Rules 2014, the names of related parties along with aggregate amount of transactions as identified and certified by the management are given as follows-

- (i) MHI has entrusted the Additional Charge of the Post of Director (Finance), EPI to Shri R. P. Singh, GM (Finance & Accounts), Bharat Heavy Electricals Ltd. (BHEL) for a period of Six Months w.e.f. date of taking over charge or appointment of regular incumbent or till further orders, whichever is earliest. Shri R. P. Singh, Director (Finance) (A/C) assumed charge on 18th October 2021. MHI has extended the entrustment of the Additional Charge of the post of Director (Finance), EPI twice i.e. for a period of six months w.e.f. 15.03.2022 to 14.09.2022 or till a regular incumbent joins the post of until further orders, whichever is the earliest and from 15.09.2022 to 24.06.2023 (date of his superannuation) or appointment of regular incumbent or a till further orders, whichever is the earliest.

The tenure of Shri R. P. Singh completed on 24.06.2023.

- (ii) MHI has entrusted the Additional Charge of the Post of Chairman & Managing Director, EPI to Shri Sanjay Banga, CMD Cement Corporation of India Limited (CCI) for a period of Three Months w.e.f. 01.10.2023 to 31.12.2023 or till further orders, whichever is earliest. Shri Sanjay Banga CMD (A/C) assumed charge on 06th October 2023.

The tenure of Shri Sanjay Banga completed on 20.11.2023.

- (iii) MHI vide Order No.8 08(1)/2020 PE VIII / CPSE III(E 21792) dated 10.04.2023 nominated Ms. Mukta Shekhar, Joint Secretary, MHI as the Government Nominee Director in Engineering Projects (India) Limited (EPIL) vice Dr. Renuka Mishra, Economic Adviser (EA), MHI.

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

- Shri. Shivendra Nath, CMD & CEO (w.e.f. 20.11.2023)
- Shri Sanjay Banga CMD (A/C) (w.e.f 01.10.2023 & upto 20.11.2023)
- Shri. D. S. Rana, CMD (w.e.f. 19.09.2019 & upto 30.09.2023)
- Shri Dibendu Das, Director (Finance) & CFO (w.e.f. 11.07.2023)
- Shri R. P. Singh, Director (Finance) (A/C) (w.e.f. 18.10.2021 & upto 24.06.2023)
- Dr. Renuka Mishra, Part Time Official Director (Govt. Nominee) (w.e.f. 30.06.2022 and upto 10.04.2023)
- Ms. Mukta Shekhar, Part Time Official Director (Govt. Nominee) (w.e.f 10.04.2023)
- Shri Rajesh Kumar, Part Time Official Director (Govt. Nominee) (w.e.f. 01.11.2021)
- Smt. Akanksha Pare, Part Time Non-Official Director (Independent Director) (w.e.f. 02.11.2021)
- Shri Vinod Kumar Yadav, Part Time Non-Official Director (Independent Director) (w.e.f. 02.11.2021)
- Shri Ashok Shankarrao Mendhe, Part Time Non-Official Director (Independent Director) (w.e.f. 07.03.2023)
- Shri Ashok Kumar Patra, Chief Financial Officer (w.e.f. 01.04.2022 & upto 10.07.2023)
- Shri Nitesh Kumar Goyal, Company Secretary (w.e.f. 17.07.2020)

- v) EPI Urban Infra Developers Limited (EPIUIDL) was incorporated as Subsidiary of EPIL on 19.5.2016 and was non operative since inception. A summary winding up petition under Section 361 of the Companies Act 2013 in respect of EPIUIDL was pending for approvals and after continuous follow ups it was taken up by Regional Director (North), MCA in the month of April 2022. While considering the petition, it has been informed that the petition filed is not a fit case for summary procedure for liquidation and petitioner may take other course of action available under the Companies Act 2013.

Accordingly during the year 2022-23, an application for Striking off the name of the EPIUIDL pursuant to Section 248(1)(a) of the Company Act 2013 has been filed to the Director General of Corporate

Affairs, Ministry of Corporate Affairs on 23.05.2022. In response to such application, the Registrar of Companies (RoC) has issued a Notice to EPIUIDL for removal of name of a company from the register of Companies (STK-1) on 30.11.2022/ 07.12.2022. Thereafter a hearing in the matter of striking of EPIUIDL was fixed by RoC on 21.03.2023. Subsequent to the hearing, RoC issued SKT-5 (Public Notice for striking of name of the Company) on 21.04.2023 and the same was published at MCA website. Further STK-5A (Public Notice) dated 02.05.2023 was published by RoC in the Times City Newspaper of dated 13.06.2023. Afterwards, RoC issued STK-7 (Notice of Striking off and dissolution) dated 20.07.2023 and published the same in the official gazette on 29.07.2023. Henceforth the Subsidiary Company viz. EPIUIDL stands struck off and dissolved. As on date, the status of the Company is being reflected as “Strike Off” on the website of the Ministry of Corporate Affairs.

Details of transactions with subsidiary Company.

(Amount in ₹ Lakhs)

Particulars	As on 31st March 2024	As on 31st March 2023	Nature
Opening Balance (Amount Recoverable) {A}	2.13	2.13	Debit
Reimbursement of Expenses on behalf of Subsidiary {B}	-	-	Debit
Amount Written off during the year {C}	2.13	-	Credit
Closing Balance (Amount Recoverable) {D} [D = A + B - C]	-	2.13	Debit

- vi) A Joint Venture “EPI-C&C JV” (Unincorporated) was formed on 2nd August 2017 between Engineering Projects (India) Ltd and C&C Construction Limited for Construction of Two Lane Road on NH specification from Paletwa to India-Myanmar Border (Zorinpui) from Km 0.00 to KM 109.20 on EPC mode in Chin State of Myanmar having participating interest of 60% for C&C Construction Ltd and 40% for Engineering Projects (India) Ltd. C&C Construction Ltd has been acting as lead partner of JV. “EPI-C&C JV” has been treated as jointly controlled operation.

MEA vide its letter dated 09th February, 2022 terminated the complete contract (Project for Construction of Two Lane Road on NH Specifications from Paletwa to India-Myanmar Border (Zorinpui) from Km 0.00 to Km 109.20 in Chin state of Myanmar) stating non-performance. M/s C&C Construction Limited who is our 60% stake partner in Myanmar joint venture “EPI - C&C JV (unincorporated)” and our main contractor in our Oman Project is currently facing insolvency proceedings in NCLT. Outcome and its financial impact on EPIL’s Financial Statements is not ascertainable.

Further M/s EPI-C&C JV has jointly filed an appeal to Ministry of External Affairs (client) and Ircon Infrastructure & Services Limited on 20.02.2024 for the same and thus claim of ₹75.90 Crore is shown as amount recoverable from client.

- vii) The A Joint Venture “EPI-Varaha JV” (Unincorporated) was formed on 25th August 2023 between Engineering Projects (India) Ltd and Varaha Infra limited Jodhpur for “widning of six lane of existing

four lane Jetpur-Gondal- Rajkot section from Km. 117.600 to Km. 185.000 on National Highway No. 27 in the state of Gujrat on EPC Mode under Bharatmala Pariyojna having participating interest of 51 % for Engineering Projects (India) Ltd. acting as lead partner of JV and 49% for Varaha India Limited.

- viii) The following transactions were carried out with related parties in ordinary course of business:
Details of Directors Remuneration

(Amount in ₹ Lakhs)

Particulars	2023-24	2022-23
Salary* (including Gratuity and Leave Encashment paid on retirement)	103.11	101.14
House rent/Lease Rent	-	-
Medical Expenses	0.35	0.49
Sitting fees#	3.55	2.80

*Neither Shri R. P. Singh Director-Finance (Addl. Charge) nor Shri Sanjay Banga, CMD (Addl. Charge) were employed in the company and no salary/allowances have been paid to them during the FY 2023-24.

#Sitting fees have been paid only to Independent Directors.

Note No. 2.34

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	Quantity (MT)	Value (₹ in Lakhs)	Quantity (MT)	Value (₹ in Lakhs)
CEMENT	-	-	-	-
STEEL	483.84	274.03	357.01	210.74
STEEL PIPES	-	-	-	-

Note No. 2.35

The decision of Cabinet Committee on Economic Affairs (“CCEA”) dated 17th February 2016, in respect of Strategic Disinvestment process through merger with similarly placed CPSE, got further modified by CCEA in its Meeting held on 13th February 2019 to allow all eligible CPSEs and Private Sector entities to participate in bidding process of disinvestment. Further the Company is following the norms/procedures of the activity of Asset monetization (under DIPAM Disinvestment scheme) and adheres all the policies/guidelines/framework etc. issued from time to time in this regard.

Note No. 2.36

- (a) MOU was signed on 27.03.2021 between Directorate of Medical Education (Govt. of Uttarakhand) (DME) & EPI to appoint EPI as an Executing Agency for construction of medical college at Rudrapur (Uttarakhand). Subsequently, the Work was awarded by EPI to contractor M/s JRA Infratech vide LOI no DLI/CON/883/757 dtd. 27.08.2021. The information regarding issuance of LOI to M/s JRA Infratech had informed to Directorate of Medical Education, Uttarakhand vide letter no. NRO/PMD/883/001 dtd. 31.08.2021. Agreement with Contractor M/s JRA Infratech was terminated on 31.05.2022 by EPI due submission of fake work experience certificate. EPI Management on identification of the faulty and fraudulent construction practices of the contractor i.e. M/S JRA Infratech, engaged for the construction of the work, lodged a complaint with the DCP-EOW, in the Police Station Mandir Marg, New Delhi on 22.02.2023. The said allegation of fraudulent practices was proved and the ACP, EOW, New Delhi forwarded the said complaint to DCP, South District Delhi for further action. However, without specifying any reason, vide letter no. 6854/XXVII(5)/2022 dated 04.10.2022, Govt. of Uttarakhand had cancelled the MOU signed on dated 27.03.2021 between DME and EPIL and the said work was awarded to M/s Uttarakhand Payjal Sansathan and Nirman Nigam, Uttarakhand vide letter dated 10.10.2022. DME, UTTRAKHAND vide their letters dated 06.10.2022 and 14.11.2022 had instructed EPI to return the deposit amount plus interest available with EPI along with all the documents w.r.t subject work to Directorate Of Medical Education Uttarakhand at the earliest. Accordingly EPI had refunded the balance amount in two instalments i.e. ₹526.77 lakhs. And ₹1295.68 Lakhs on 28.12.2022 and 24.05.2023 respectively. The interest available with EPI of ₹154.56 Lakhs and ₹11.73 Lakhs had also been paid to Directorate of Medical Education Uttarakhand. In this regard, Directorate of Medical Education, Uttarakhand has directed EPIL to refund amount of ₹3177.55 Lakhs plus interest vide letter no. 150369/XXVIII (5)/2023 (E-7804) dated 29/08/2023 and 3209/ME/12/12/2020 dated 04.09.2023, for which no provisions or contingent liabilities has been made in the books by the management since matter is Sub-Judice with the Govt. of Uttarakhand. Simultaneously, EPI has also filed counter claims for an amount of ₹8853 Lakhs against JRA Infratech before the arbitrator on 09.05.2024 in the arbitration pending between JRA Infratech and EPI. Amount available with EPI in the books of Accounts payable to sub-contractor, M/S JRA Infratech is ₹867.15 Lakhs and amount available with EPI as advance received from client is ₹420.60 Lakhs.
- (b) As per Pre Contract Agreement (PCA) entered with M/s. Astic Environmental Engineering Company Limited, Japan EPI has submitted 1% Deed of Joint Undertaking Bank Guarantee (DJUBG) for ₹607.18 Lakhs directly to client GSCEL (Gujarat State Electricity Corporation Limited).

Note No. 2.37

Management has made an assessment and found that there is no indication of any impairment in the value of fixed assets. Hence no provision is required to be made as on 31st March 2024.

Note No.2.38

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

With reference to the Ministry of Corporate Affairs' notification dtd 24.03.2021 w.r.t. amendments in Schedule III, additional regulatory information for CSR are under:

Particulars		Remarks
(a)	Amount required to be spent by the company during the year	Nil
(b)	Amount of expenditure incurred,	Nil
(c)	Shortfall at the end of the year,	Nil
(d)	Total of previous years shortfall,	Nil
(e)	Reason for shortfall,	Not Applicable
(f)	Nature of CSR activities,	Not Applicable
(g)	Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Not Applicable
(h)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Not Applicable

Note No. 2.39

Basic and diluted earnings per share are computed by dividing Net Loss after Tax ₹6135.94 Lakhs (previous year net profit after tax ₹44.27 Lakhs) by 3,54,22,688 fully paid up equity share of ₹10 each. Details of EPS are as under:

Earnings Per Share	FY 2023-24	FY 2022-23
Basic	(17.32)	0.12
Diluted	(17.32)	0.12

Note No. 2.40

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

The Subsidiary Company is non-operational since its incorporation. Being Government Company, proposal for appointment of Directors including approval for Interim Board comprising first directors was submitted for Government approval and in the meantime, Government initiated action for strategic disinvestment of EPI. Since Government did not support formation of the subsidiary, EPI approved closure of EPIUIDL through voluntary liquidation/voluntary winding subject to the approval by the Shareholders of EPIUIDL and Administrative Ministry agreed for closure of EPIUIDL. However the closure through voluntary liquidation was not approved by BUIDPL on 01st AGM of EPIUIDL held on 20.12.2017. Subsequent efforts of EPI to offer its shares to the other two shareholders was not successful. Board of EPI has decided to approach the concerned authorities for other options of closure/exit. As on 31.03.2022, the summary winding up petition under Section 361 of the Companies Act 2013 in respect

of EPIUIDL was pending for approval with Regional Director. Afterwards the same was taken up by Regional Director (North), MCA in April 2022. It has been informed by RD (MCA) that the petition filed is not a fit case for summary procedure for liquidation and other course of action available under the Companies Act 2013. Accordingly, an application for Striking off the name of the EPIUIDL pursuant to Section 248(1)(a) of the Company Act 2013 has been filed to the Director General of Corporate Affairs, Ministry of Corporate Affairs on 23.05.2022. In response to such application, the Registrar of Companies (RoC) has issued a Notice to EPIUIDL for removal of name of a company from the Register of Companies (STK-1) on 30.11.2022/ 07.12.2022. Thereafter a hearing in the matter of striking of EPIUIDL was fixed by RoC on 21.03.2023. Subsequent to the hearing, RoC issued SKT-5 (Public Notice for striking of name of the Company) on 21.04.2023 and the same was published at MCA website. Further STK-5A (Public Notice) dated 02.05.2023 was published by RoC in the Times City Newspaper of dated 13.06.2023. Afterwards, RoC issued STK-7 (Notice of Striking off and dissolution) dated 20.07.2023 and published the same in the official gazette on 29.07.2023. Henceforth the Subsidiary Company viz. EPIUIDL stands struck off and dissolved. As on date, the status of the Company is being reflected as “Strike Off” on the website of the Ministry of Corporate Affairs.

In view of the above, during F.Y. 2023-24, the investment value has been adjusted with the provision already made against the investment.

Note No. 2.41

CBI has registered 06 cases and filed FIR against some employees of “the Company” wherein “The Company” is not named as party in the FIR and no financial impact on its financial statement is envisaged. Further during the financial year 2022-23, one case of fraud/ misappropriation of company’s funds had been registered by CBI, which is under investigation and the said fraud/ misappropriation may have financial impact on its financial statement.

However, as on date, investigation in above matter is still in progress.

Note No. 2.42

National Water Supply & Drainage Board (NWSDB), Srilanka (client) rejected HDPE pipes supplied by Chinese manufacturer/ supplier against the awarded project in Vavuniya water supply scheme to EPIL due to poor quality of pipes and asked EPIL to replace the same with good ones. EPIL released the payment to Chinese supplier, however EPIL in turn got its (around 96%) payment from NWSDB Srilanka as per terms of agreement. Claim of equivalent ₹18.78 crore has been lodged in Arbitration against the manufacturer on 31.10.2016. The arbitrator awarded the claim vide award dated 29.01.2018 in favour of EPIL for ₹17.25 Crores (approximate) and now EPIL proceeded to Commercial High Court of Colombo for conversion of Arbitration into decree for invocation of same in China from Chinese manufacturer (Jiangsu Qianlong New Material Co Ltd).

Note No. 2.43

The balances of Trade receivables, loans & advances, client’s advances, retention money, security deposits receivable/payable and Trade payable are subject to receipts of confirmation and reconciliation. In the opinion of the management, the impact of it on the financial statements is not significant.

Note No. 2.44

In the opinion of the management, the value of Current assets on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

Note No. 2.45

- a) Total amount receivable from M/s Uranium Corporation of India Ltd (UCIL) on account of Trade receivable, Retention & other recoverable stands at ₹2352.81 lakh as on 31.03.2024 with corresponding total payable to various vendors at ₹717.52 lakh with a net receivable ₹1635.29 lakh. The above amount is more than 10 years old & is under constant persuasion for realization. Pending final settlement, based on experience/progress/assessment of the matter by the management, a provision of ₹443.77 lakh is made upto 31.03.2024 for net receivable amount and rest is considered good for realization. The Company has moved to Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD) vide letter no. DLI/EPI/CMD/Ministry/013 dated 24.04.2024 in order to resolve the long pending dispute in relation to UCIL. Apart from above, the Company has also provided ₹55.81 lakh on net receivable basis upto 31.03.2024 for other projects completed more than 10 years back.
- b) Bihar Police Academy Rajgir Project, was terminated by the client in the month of April 2017. The total amount recoverable from sub agency was ₹4306.22 lakh as on 31.03.2024, the same is shown as 'Recoverable from Client, Vendors & Others' under 'Other Non-Current Assets' in Note No. 2.12. The matter is under arbitration both with client & sub agency.
- c) During the financial year 2018-19, a part of the total contract valuing ₹8329.77 lakh relating to Design, Supply, Erection & Commissioning of plant equipments for 5 LLPD dairy Plant, 30 MTPD powder plant complete & services & laboratory set up at Dehri on Sone, was terminated by client. The Client, COMFED, further recovered proceeds of ₹226.96 lakh on account of the Performance security during financial year 2019-20. The Total amount of ₹657.46 lakh as on 31.03.2024 including ₹430.50 lakh, excess recovered against mobilisation advance by client has been shown under 'Other Non-Current Assets- Recoverable from Client Vendors & Others' in Note No. 2.12. The matter is under arbitration.
- d) The work for construction of CHP (Coal Handling Plant) at Hingula area, Talcher was awarded to EPI by Mahanadi Coal Field Ltd (MCL) vide LOI No- MCL/SBP/E&M/2022-23/LOA-163 DT.18.05.2022 for a value of ₹21830 lakh including Tax. During floating of tender for various packages of work, the working budget has been revised during FY 2023-24, accordingly anticipated loss of ₹2246.88 lakh has been suitably adjusted in the books of accounts and charged to Profit & Loss Account for the FY 2023-24 as per adopted accounting policy no - 3(e) of the Company.
- e) The work for construction of NTPC Muzzafarpur was awarded to EPI by NTPC vide LOI No. CS-0350-364(R)-9-LOA-002 dated 14.08.2019 for a value of ₹4906.10 lakh including all taxes and duties except GST. The working budget of the said project has been revised during FY 2023-24, accordingly anticipated loss of ₹381.51 lakh has been suitably adjusted in the books of accounts and charged to Profit & Loss Account for the FY 2023-24 as per adopted accounting policy no - 3(e) of the Company.

- f) The lease agreement for the premise in 8th and 9th floors admeasuring 15000 square feet and having Municipal door number -50, Chowringhee Road, Kolkata -71 has expired on 30.09.2015. Renewal of lease agreement for the EPIL, Kolkata Office is under sub judice before the Hon'ble High Court, Calcutta. The appellant, M/s Square Four Assets Management and Reconstruction Company Private Limited has claimed vide GA No.18 of 2022 dated 08.02.2022 in CS No. 144 of 2016 before the Hon'ble Court, an amount of ₹5952.70 Lacs (including interest amounting to ₹2581.27 Lacs and GST amounting to ₹514.28 Lacs) pertaining to the period from October, 2015 to March, 2022 from EPI. Against this, a judgment dated 03.11.2022 was passed by Hon'ble Single Bench in favor of the appellant. EPI moved to Hon'ble Division Bench of Calcutta High Court against the said order of the Hon'ble Single Bench and on 09.06.2023 the said Division Bench has set aside the order of the Hon'ble Single Bench. During the financial year 2021-22, based on internal assessment the company has suitably provided of ₹1656.81 lakh (Excluding GST) during the FY 2021-22 towards lease rental, with cumulative provision as on 31.03.2024 of ₹1659.22 lakh (₹1659.22 lakh upto 31.03.2023). The same has been duly shown in Notes of Accounts no. 2.4 under the head "Provision for Other Expenses".

During the FY 2023-24, Kolkata Municipal Corporation ('KMC') had served various Property Tax Fresh / Supplementary (Unit Area/ARV) bills amounting to ₹41,22,480/- required to be paid at quarterly rests. The Company booked an amount of ₹24,73,488/- during the year under the head Rates & Taxes in Note No. 2.24 of ERO Branch but did not make payment to KMC. A legal opinion with regard to discharge of this liability was sought but legal proceedings as per the said opinion has not yet been started.

Note No. 2.46

In respect of work awarded to the company in capacity of Project Management Consultant (PMC) with scope of work involving, inter alia ,appointment of contractors for construction activities, monitoring and supervision of contractors, payment to contractors out of funds provided by the Employer, the company recognizes entire Cost of work of the Contractor including the PMC fees as its turnover under revenue head "Work Done" and correspondingly Cost of Work of the Contractor is recognized under Works Costs. Assets and Liabilities associated with such projects and held in trust on behalf of the Employer is recognized as Assets and Liabilities of the company in its Balance Sheet under respective heads. This is being following consistently on a consistent basis by the company treating its contracts as Cost plus Contract under Accounting Standard -7.

Note No. 2.47

Head office expenditure on account of salary and other related costs amounting to ₹51.31 Lakhs (₹59.94 Lakhs in previous year) has been allocated to Oman during the FY 2023-24 for incorporating in Oman branch accounts for claiming the deduction of expenses on account of the same in accordance with the Oman Income Tax rules and regulations.

Note No. 2.48

Company as a lessee:

The company has taken certain Office and residential premises on operating lease which are cancellable

by giving appropriate notices as per respective agreements. During the year an amount of ₹265.58 Lakhs (₹259.31 Lakhs in previous year) has been charged towards these cancellable operating leases.

The company has taken certain assets like car on non – cancellable operating leases. During the year an amount of ₹13.31 Lakhs (Previous year ₹15.75 Lakhs) has been paid towards these non- cancellable operating leases. The future minimum lease payments in respect of these leases are as follows:

- (i) Payable not later than 1 year ₹11.91 Lakhs (Previous year ₹13.59 Lakhs)
- (ii) Payable later than 1 year and not later than 5 year ₹11.13 Lakhs (Previous year ₹23.40 Lakhs).
- (iii) Payable later than 5 year ₹ Nil. (Previous year Nil)

Company as a lessor:

The company has leased out certain Office premise on operating lease which are cancellable by giving appropriate notices as per respective agreements. During the year an amount of ₹474.94 Lakhs (₹452.32 Lakhs in previous year) has been booked as income towards this cancellable operating lease.

The future minimum lease receipts in respect of this lease are as follows:

- (i) Receivable not later than 1 year ₹163.50 Lakhs (Previous year ₹311.43 Lakhs)
- (ii) Receivable later than 1 year and not later than 5 year NIL (Previous year NIL).
- (iii) Receivable later than 5 year Nil. (Previous year Nil)

Note No. 2.49

Disclosure in respect of Joint Ventures;

S. No.	Name of the Joint Operations (Unincorporated)	Partners and Country of Origin	Participating Interest (in %) as at 31 st March	
			2024	2023
1.	EPI-C&C JV*	C&C Construction Limited, India.	60%	60%
		Engineering Projects (India) Limited, India.	40%	40%
2.	EPI-Varaha JV#	Engineering Projects (India) Limited, India.	51%	-
		Varaha Infra Limited India.	49%	-

*The Company has already sent the notice to M/s C&C Construction Limited, India on 17.08.2021 regarding termination of the Joint Venture agreement. Afterwards, MEA vide its letter dated 09th February, 2022 terminated the complete contract (Project for Construction of Two Lane Road on NH Specifications from Paletwa to India-Myanmar Border (Zorinpui) from Km 0.00 to Km 109.20 in Chin state of Myanmar) stating non-performance.

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

Further M/s EPI-C&C JV has jointly filed an appeal to Ministry of External Affairs (client) and Ircn Infrastructure & Services Limited on 20.02.2024 for the same and thus claim of ₹75.90 Crore is shown as amount recoverable from client.

#A Joint Venture “EPI-Varaha JV” (Unincorporated) was formed on 25th August 2023 between Engineering Projects (India) Ltd and Varaha Infra limited Jodhpur for “widning of six lane of existing four lane Jetpur-Gondal- Rajkot section from Km. 117.600 to Km. 185.000 on National Highway No. 27 in the state of Gujrat on EPC Mode under Bharatmala Pariyojna for the total project value of ₹1204.80 Crores having participating interest of 51 % for Engineering Projects (India) Ltd. acting as lead partner of JV and 49% for Varaha India Limited.

Since it is an unincorporated JV and also there is no contribution made by EPI on account of capital investment. Further EPIL has not incurred any expenses or income on the said JV therefore nothing is considered in preparation of Financial Statements.

Note No. 2.50

Dividends payable to the shareholders are recognized in the period in which they are approved by the shareholders. During this year i.e. 2023-24, Company has not paid any dividend [NIL in previous year 2022-23) to its shareholders.

Note No. 2.51

Amount due to entities covered under Micro, Small and Medium Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 have been identified on the basis of information available with the Company.

(Amount in ₹ Lakhs)

Payable to Micro, Small, Medium Enterprises *	As at 31 st March, 2024	As at 31 st March, 2023
Particulars		
i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	2,509.25	2,697.21
ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	Nil
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	9.50
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	Nil	Nil

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

Note No. 2.52

With reference to the Ministry of Corporate Affairs notification dtd 24.03.2021 w.r.t. amendments in Schedule III, additional regulatory information under are under:

(i) Title deeds of Immovable Property not held in name of the Company:

Details of Title deeds of Immovable Property not held in name of the Company is below:

(Amount in ₹ Lakhs)

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative# of promoter*/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company**
PPE	Building at Scope Complex, New Delhi	374.42	Scope Complex, New Delhi	No	14.03.1988	Matter is taken up with the concern authority.
Investment property	-	-	-	-	-	-
PPE retired from active use and held for disposal	-	-	-	-	-	-
Others	-	-	-	-	-	-

Relative here means relative as defined in the Companies Act, 2013.

*Promoter here means promoter as defined in the Companies Act, 2013.

(ii) Disclosures regarding whether revaluation is based on the valuation by a Registered Valuer:

No revaluation took place during the year.

(iii) Disclosures of Loans or Advances granted Promoters, Directors, KMPs and the related parties:

No Loans or Advances granted to Promoters, Directors, KMPs and the related parties during the year.

(iv) **Capital-Work-in-Progress (CWIP):**

No CWIP exists in the company as on 31.03.2024.

(v) **Intangible Assets under Development:**

(a) Details of Intangible Assets under Development Aging Schedule:

(Amount in ₹ Lakhs)

Intangible assets under development	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress:	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

(b) Details of Intangible Assets under Development Completion Schedule:

(Amount in ₹ Lakhs)

Intangible assets under development	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress:	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

(vi) **Details of Benami Property held:**

No Benami Property held by the company as on 31.03.2024.

(vii) **Borrowings from banks or financial institutions on the basis of security of current assets:**

The company has submitted the provisional financial data to bankers on time to time basis which are same as reported to governing ministry also.

(viii) **Wilful Defaulter:**

The company has not been declared wilful defaulter by any bank or financial Institution or other lender as on 31.03.2024.

(ix) **Relationship with Struck Off Companies:**

The company has not made any transaction during the year with companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

(x) Registration of charges or satisfaction with Registrar of Companies:

No charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

(xi) Compliance with number of layers of companies:

The proviso to clause (87) of section 2 of the Companies Act, 2013 provides for restricting class or classes of holding companies from having layers of subsidiaries beyond prescribed number. The above provision is not applicable on the company.

(xii) Various Ratios:

Details of the various ratios are as below:

S. NO.	Type of Ratio	Formula (Numerator/Denominator)	%/in times	FY 2023-24	FY 2022-23	% Variance
a)	Current Ratio	Current Assets / Current Liabilities	In number of times	1.16	1.11	4%
b)	Debt-Equity Ratio	Claim of Outsiders/ Claim of Insiders	In number of times	31.69	7.09	347%
c)	Debt Service Coverage Ratio	Earnings Before Interest Tax Depreciation & Amortization/Interest + Principal	In number of times	(4.72)	0.36	-1397%
d)	Return on Equity Ratio	Profit After Tax / Shareholder's Equity	%	-173.22%	1.25%	-13960%
e)	Inventory Turnover Ratio	Cost of goods sold / Average Inventory	In number of times	331.05	509.51	-35%
f)	Trade Receivables Turnover Ratio	Net Credit Sales/Average Trade Receivables	In number of times	4.25	4.95	-14%
g)	Trade Payables Turnover Ratio	Net Credit Purchase / Average Trade Payables	In number of times	3.17	2.49	27%
h)	Net Capital Turnover Ratio	Turnover / Average Working Capital	In number of times	4.52	6.60	-31%
i)	Net Profit Ratio	Net Profit / Total Income	%	-7.15%	0.04%	-18582%
j)	Return on Capital Employed	Profit After Tax / Total Capital Employed	%	-271.93%	0.53%	-51651%
k)	Return on Investment	Profit from class of assets/Market value of the such class of assets	%	N.A.	N.A.	N.A.

Explanations for changes in the ratio by more than 25% as compared to preceding year are as below:

- a) **In Debt-Equity Ratio**, Claims of Outsiders for current year is ₹715.08 crore comparing to previous year of ₹595.18 crores and Claims of Insiders i.e. for current year is ₹22.56 crore comparing to previous year of ₹83.92 crores. Due to reduction in Claims of Insiders in current year, this ratio is higher comparing to previous year.
- b) **In Debt Service Coverage Ratio**, EBITDA for current year is ₹-54.44 crore comparing to previous year to ₹7.58 crores because of less turnover in current year, this ratio is negative comparing to previous year.
- c) **In Return on Equity Ratio**, Current year Loss is ₹61.36 crore comparing to previous year's profit of ₹0.44 crore. This resulted into negative Return for Equity.
- d) **In Inventory Turnover Ratio**, Cost of goods sold and inventory in current year is ₹802.42 crore and ₹2.74 Crores respectively whereas in previous year it was ₹1037.10 crore and ₹2.11 crore respectively. It resulted in to reduction in the ratio comparing to previous year.
- e) **In Trade Payable Turnover Ratio**, Operational Expenses and Average Trade Payables in current year is ₹802.42 crore and ₹253.20 Crore whereas in last year it was ₹1037.10 crore and ₹416.76 crore respectively. It resulted in to increase in the ratio comparing to previous year.
- f) **In Net Capital Turnover Ratio**, Due to reduction in the turnover in current year it resulted in to increase in the ratio comparing to previous year.
- g) **In Net Profit Ratio**, Current year loss is ₹61.36 crore comparing to previous year's profit of ₹0.44 crore. This resulted into reduction in/negative net profit ratio.
- h) **In Return on Capital Employed Ratio**, Due to loss of ₹61.36 crore in current year which resulted into the reduction in capital employed (denominator value in formula) in the current year. It resulted in to negative ratio comparing to previous year.

(xiii) Compliance with approved Scheme(s) of Arrangements:

No any scheme under section 230 to 237 of the Companies Act, 2013 has been approved for the company.

(xiv) Utilization of Borrowed Funds & Share Premium:

Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(s), including foreign entities (Intermediaries).

(xv) Undisclosed Income:

For the year, there is no undisclosed income or any transaction which are not recorded in the books of account.

(xvi) Details of Crypto Currency or Virtual Currency:

The Company has not traded or invested in Crypto currency or Virtual currency during the year.

Note No. 2.53

- (a) On 05th Sep 2023, Oman Arab Bank has filed the Court case at Courts of First Instance (Muscat Primary Court) against C&C (Oman) LLC- 1st Respondent, Al Naba Holding LLC- 2nd Respondent, Mr. Khalid Bin Hamid Bin Saif Al Busaidi (Chairman of Al Naba Holding LLC)- 3rd Respondent & Engineering Projects (India) Limited- 4th Respondent for ₹14015.82 Lakhs (equivalent to US\$ 17,908,066.62) to be paid jointly or severally and also file claim of ₹6104.70 Lakhs (equivalent to US\$ 7,800,000) on Engineering Projects (India) Limited due to non compliance of Assignment letter issued by EPI in favor Oman Arab Bank. Last hearing was held on 22-04-2024 & next hearing postpone to 26-05-2024.
- (b) Company claimed an amount of RO.4,650,904/- (₹94,64,12,454.96) upto March 2023 from MOD on account of the increase in fuel prices and visa charges & VAT reimbursement as per the conditions as given in the main contract. MoD has released OMR 751017 (₹15,28,24,449.33) to Muscat Primary Court on behalf of M/s C&C Constructions Limited on 04-03-2024, OMR 1,844,890.579 (₹ 37,54,16,783.92) to M/s Sarooj Construction on 24-03-2024 & OMR 77,089.032 (₹1,56,86,847.12) to MSA Global LLC on 27-03-2024. Balance amount will be released shortly.
- (c) MOD had blocked an amount of RO.11.35 Million as per the direction from the Primary Court of Sultanate of Oman in connection with the case filed by C & C Oman L.L.C. Subsidiary of C & C Construction Ltd – India). EPI has collected the details of case no 119/1310/2021 and filed an appeal in the Muscat Primary Court. On 11-06-2023, Primary Court, Muscat has issued the Judgment in favor of C&C (Oman) LLC. Appeal against judgment had been filed by EPI to challenge the judgment issued by primary court and hearing at Appeal Court scheduled on 17 Aug 2023. Further, on 13.03.2023 C&C (Oman), LLC filed the petition (294/4104/294) in Primary Court, Muscat for Seizure of EPI's all accounts, funds and banking & financial transactions in Sultanate of Oman linked to this ongoing commercial case 119/1310/2021 and on 14.03.2023, Primary Court issued the judicial decision 124/2023 for freezing of EPI's bank accounts in Oman and also informed to Central Bank of Oman (CBO) to implement the decision. Accordingly, on 15th March 2023, all the bank Accounts were frozen and made inoperative. Further, on 27.03.2023, EPI filed the petition in primary court for unfreezing of EPI's bank accounts in Oman. Hearing was concluded on 16.04.2023 and on 01.05.2023, Hon'ble Primary Court issued the decision to cancel the order dated 14.03.2023 of freezing EPIs Bank Accounts in a Court Case filed by M/s C&C Oman LLC. On 14-05-2023, M/s C&C (Oman) LLC filed an Appeal against primary court judgment. On 06-07-2023, an Appeal was submitted by M/s C&C (Oman) LLC and accepted by Court which superseded the Judgment issued by Primary Court, which was in favor of EPI. Judgment copy is yet to be receive from Appeal Court. EPI has proposed to challenge the decision in High Court, after reviewing the judgment with legal counsel. Further with the intervention of His Majesty Office and support of MoD reconciliation record was signed on 09-01-2024 by representative of Muscat Primary Court, MoD, EPI , Al-Naba & lawyers of both side and case was closed by Muscat Primary Court and Further EPI banks accounts was opened on 19-03-2024 for banking operations.
- (d) M/s MSA Global LLC, who are our subcontractors have submitted the request for Arbitration in ICC on 12.04.2023. Notification issued by ICC on 18.04.2023. M/s MSA Global & EPI have appointed

Arbitrators respectively from their sides and third Arbitrator appointed by them. MSA Global LLC has submitted claim for US\$ 45 Million (₹382 Crore) against EPI and EPI submitted counter claim of US\$ 5 Million (₹41 Crore) in ICC Singapore. The pleadings/documentation is in process as per procedural time table issued by ICC in the matter.

Note No. 2.54

- (a) During the year ended on 31.03.2024, the Company has regrouped its trade payables to better reflect the nature of these liabilities and to align with internal reporting requirements.

This reclassification has resulted in the following changes in presentation:

Previously (31.03.2023) reported under Trade payables amounting to ₹80324.87 Lakhs have been reclassified resulting in a balance of ₹23188.86 Lakhs.

Previously (31.03.2023) reported under “Other Payable to Clients” amounting to ₹783.87 Lakhs have been reclassified to “Other Payable to Clients, Vendors & Others” resulting in a balance of ₹67554.71 Lakhs.

This adjustment has been made to ensure that the financial statements more accurately represent the Company’s financial position and performance.

- (b) During the Current year 2023-24 w.e.f. 01.04.2023 Business of PCO Bhubneshwar has been transferred wide Office order no. DLI/HRM/MPP/OO1 dated 05.06.2023 to ERO Kolkata accordingly previous year’s figures has been regrouped.
- (c) The previous year figures have been reclassified, regrouped and recast to conform to current year’s classification/ grouping.

As per our report of even date attached

For VSD & Associates

Chartered Accountants

Firm Registration No. 008726N

For and on behalf of Board of Directors

Sd/-

(CA HEMA DUDEJA)

Partner

Membership No. 501001

Date: 25th July 2024

Place: New Delhi

UDIN : 24501001BKEEND9520

Sd/-

(DIBENDU DAS)

Director (Finance) & CFO

DIN No. 10234285

Sd/-

(SHIVENDRA NATH)

Chairman cum Managing Director

DIN No. 10397812

Sd/-

(ASHOK KUMAR PATRA)

GGM (Finance)

Sd/-

(NITESH KUMAR GOYAL)

Company Secretary

कार्यालय महानिदेशक लेखापरीक्षा,
उद्योग एवं कॉर्पोरेट कार्य
ए.जी.सी.आर. भवन, आई.पी. एस्टेट,
नई दिल्ली-110 002



OFFICE OF THE DIRECTOR GENERAL OF AUDIT,
INDUSTRY AND CORPORATE AFFAIRS
A.G.C.R. BUILDING I.P. ESTATE,
NEW DELHI-110 002

संख्या: एएमजी-III/2(35)/वार्षिक लेखा/
ईपीआईएल/(2023-24)/2024-25/244
दिनांक: 26 SEP 2024

सेवा में,

अध्यक्ष एवं प्रबंध निदेशक
इंजीनियरिंग प्रोजेक्ट्स (इंडिया) लिमिटेड
कोर-3, स्कोप कॉम्प्लेक्स, 7
लोधी रोड, नई दिल्ली – 110 003

विषय : कंपनी अधिनियम 2013 की धारा 143 (6) (b) के अधीन 31 मार्च 2024 को समाप्त वर्ष के लिए
इंजीनियरिंग प्रोजेक्ट्स (इंडिया) लिमिटेड के वार्षिक वित्तीय लेखों पर भारत के नियंत्रक एवं
महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

कंपनी अधिनियम 2013 की धारा 143 (6) (b) के अधीन 31 मार्च 2024 को समाप्त हुए वर्ष के लिए
इंजीनियरिंग प्रोजेक्ट्स (इंडिया) लिमिटेड के वार्षिक वित्तीय लेखों पर उपरोक्त विषय संबंधित संलग्न पत्र अग्रेषित है।

भवदीया,

एस. ए. पंडा
(एस. आह्लादिनी पंडा)
महानिदेशक लेखा परीक्षा
(उद्योग एवं कारपोरेट कार्य)
नई दिल्ली

संलग्नक:- यथोपरि

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 2024

The preparation of financial statements of Engineering Projects (India) Limited for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 25 July 2024.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Engineering Projects (India) Limited for the year ended 31 March 2024 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

**Sd/-
(S. Ahlladini Panda)
Director General of Audit
(Industry & Corporate Affairs)
New Delhi**

Place: New Delhi

Date: 26.09.2024



*Leading PSU for Turnkey Project
Execution & Infrastructure
Development*



Over
50
Years of

*Engineering Excellence In Built Environment
& Infrastructure Development*



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

ENGINEERING PROJECTS (INDIA) LTD.

(A GOVERNMENT OF INDIA ENTERPRISE)

Core-3 SCOP Complex, 7 Lodhi Road, New Delhi-110003

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

E-mail : epico@epi.gov.in Website : www.epi.gov.in