



48th

Annual Report

वार्षिक प्रतिवेदन

2017 - 2018

इंजीनियरिंग प्रोजेक्ट्स (इंडिया) लि.

(भारत सरकार का उद्यम)

ENGINEERING PROJECTS (INDIA) LTD.

(A GOVERNMENT OF INDIA ENTERPRISE)

Mission / Vision

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



Objectives

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



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REFERENCE INFORMATION

(As on 31st March 2018)

REGISTERED OFFICE

Core 3, SCOPE Complex,
7 Lodhi Road, New Delhi - 110 003.
Phone No: 91-11-24361666
Fax: 91-11-24363426
E-mail: epico@engineeringprojects.com
Website: www.engineeringprojects.com

REGIONAL OFFICES

Eastern Regional Office-Kolkata

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

Western Regional Office-Mumbai

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

Northern Regional Office-Delhi

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

Southern Regional Office-Chennai

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

North Eastern Regional Office

4th Floor, Hindustan Tower.
Block-A, Jawahar Nagar, National
Highway, No.37, Beltala
Guwahati -781022 (Assam)
Phone : 91-8486653300
E-mail : neroguwahati@rediffmail.com
& neroguwahati@gmail.com

CAMP OFFICE MUSCAT

Engineer-3 Project Oman
C/o. Engineering Projects (India) Ltd. OMAN,
Post Box No. 3251
Postal Code 112 RUWI, Sultanate of Oman
E-mail id:
vk.pandey@engineeringprojects.com
Phone:+96899430701

SRI LANKA PROJECT

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

SAUDI ARABIA OFFICE

P.O. Box-69983
Riyadh-11557
Kingdom of Saudi Arabia (KSA)
Phone :+966-11-4884394
Fax :+966-11-4884394-Ext. 9
E-mail id:
feroz.rehman@engineeringprojects.com
(This office is under final stages of closure)

AUDITORS:

Statutory Auditor

M/s KG Somani & Company,
Chartered Accountants
3/15, Asaf Ali Road, New Delhi-110002,

BRANCH AUDITORS

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

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

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

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

FOREIGN BRANCH AUDITORS

Branch Auditors Sri Lanka

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

Branch Auditors Oman

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

COST AUDITOR

M/s A.G. Agarwal & Associates

Cost Accountants
IIB/76, Usha Villa, Vaishali, Ghaziabad,
U.P.-201010.

SECRETARIAL AUDITOR

M/s. Vishal Agarwal & Associates

39/2068, Naiwala,
315, Dakha Chambers, Karol Bagh,
New Delhi-110005

BANKERS

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



BOARD OF DIRECTORS



Shri S. S. Rawat
Chairman & Managing Director (A/C)
and Director (Projects) (A/C) *
[w.e.f.15.09.2018]



Shri N. Sivanand
Chairman & Managing Director (A/C)
and Director (Projects) (A/C) *
[up to 14.09.2018]



Shri Lekh Raj
Director (Finance)



Shri Vinoo Gopal
Director (Projects)
[up to 30.06.2018]



Shri Vishvajit Sahay
Part Time Official Director



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



Shri Siya Sharan
Part Time Official Director
[up to 07.08.2018]



Dr. Anita Chaudhary
Independent Director



Shri Sushant Baliga
Independent Director

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



FINANCIAL STATUS FOR LAST FIVE YEARS

(Rs. in Lakhs)

Particulars/Years	2013-14	2014-15	2015-16	2016-17	2017-18
A. Operating Statistics					
Turnover (Operating Income)	85516.72	103128.21	129546.44	162145.42	160740.99
Other Income	3534.00	2789.27	2772.96	3397.72	1526.79
Total Income (a)	89050.72	105917.48	132319.40	165543.14	162267.78
Total Expenditure (b)	85398.78	100991.01	127805.15	164373.57	161456.08
Gross Margin (a-b)	3651.94	4926.47	4514.25	1169.57	811.70
Interest	942.11	706.15	580.93	614.25	485.70
Depreciation	99.30	99.62	114.15	143.58	154.68
Profit Before Tax (PBT)	2610.53	4120.70	3819.17	411.73	171.32
Income Tax	911.09	1412.08	1364.55	142.28	157.78
Profit After Tax (PAT)	1699.44	2708.62	2454.63	269.45	13.54
Transitional Depreciation Impact on Opening Reserves	-	4.37	-	-	-
Dividend Paid	708.45	708.45	1,081.55	-	-
Dividend Distribution Tax Paid	120.40	144.22	220.18	-	-
Balance Carried Forward to Reserves & Surplus	862.73	1851.58	1152.90	269.45	13.54
No. of Employees	437	436	400	372	363
No. of Equity Shares of Rs.10/- each	35422688	35422688	35422688	35422688	35422688
B. Financial Position					
Share Capital	3542.27	3542.27	3542.27	3542.27	3542.27
Reserve and Surplus (Free Reserves)	16237.10	18088.67	19241.57	19511.03	19524.56
CSR Reserve	7.86	-	-	-	-
Net Worth (Shareholders' Funds)	19779.37	21630.94	22783.84	23053.30	23066.83
Capital Employed	19779.37	21630.94	22783.84	23053.30	23066.83
C. Financial Ratios					
Turnover per Employee (Rs. In lakhs)	195.69	236.53	323.87	435.87	442.81
Gross Margin / Turnover (%)	4.27	4.78	3.48	0.72	0.50
Profit Before Tax (PBT)/ Turnover (%)	3.05	4.00	2.95	0.25	0.11
Profit Before Tax (PBT)/ Net Worth (%)	13.20	19.05	16.76	1.79	0.74
Profit After Tax (PAT)/ Net Worth (%)	8.59	12.52	10.77	1.17	0.06
Dividend paid / Profit before tax (%)	27.14	17.19	28.32	-	-
Dividend paid / Profit after tax (%)	41.69	26.16	44.06	-	-
Basic and Diluted EPS (in Rs)	4.80	7.65	6.93	0.76	0.04
NAV Per Share having Face Value of Rs.10/-	55.84	61.07	64.32	65.08	65.12



CHAIRMAN'S MESSAGE

Dear Shareholders'

It gives me immense pleasure to welcome you all to this 48th Annual General Meeting of your Company. The 48th Annual Report for the year 2017-18 comprising Directors' Report, including Annexures such as Management Discussion and Analysis Report, Report on Corporate Governance, Report on Corporate Social Responsibility and Sustainability, Audited Annual Accounts (Standalone and Consolidated), Independent & Secretarial Auditors' Report, Comments of Comptroller & Auditor General have been placed before you.

Industry Scenario:

The Construction industry is an important indicator of the development as it creates investment opportunities across various related sectors. In India, the construction industry has been contributing 8% to 10% to the national GDP since many decades. According to BMI Research, India's construction industry will see growth of 6.1% in 2018 – an increase on the 5% growth experienced in 2017. Real growth will average 6.2% between 2018 and 2027. The infrastructure development has received huge impetus by the state.

It can be advocated that the outlook for the construction sector is very positive with the government ready to mobilize \$1 trillion investment plan over the next five years to give a fillip to highways, roadways, real estate, and renewable energy.

Business Opportunities:

The Government is planning to improve regional and global connectivity to spur economic growth and pursue its strategic interests in Asia and beyond. Projects like India Myanmar Thailand Trilateral highway, development of Sitwe port and INSTC or the International North South Trade Corridor are being expedited.

Marketing Initiatives:

Your Company is presently doing a large number of Water Supply and related projects in various States throughout India. These include Water Treatment Plants, Laying of Pipelines for Supplying Water, Overhead Storage Tanks etc. It has identified Highways / Roads, Dams/Tunneling Projects, Irrigation / Canal Projects, Border Management and surveillance works, Environmental Projects and Overseas Projects as thrust areas. Your Company continues to focus and maintain business in its most profitable segments while expanding into new business segments in line with Government credit facilities vis a vis MoU signed between the Government and other countries.

Performance Highlights:

During the year 2017-18, your company has achieved a operating turnover of Rs. 1,60,741 Lakhs. The total income of the Company for the year 2017-18 is Rs. 1,62,268 Lakhs. Your Company has earned a Gross Margin of Rs. 812 lakh against previous year Gross Margin of Rs. 4514 lakh. The Net Worth of the



Company increased from Rs. 23,053 Lakhs to Rs. 23,067 Lakhs which is an increase of 0.06% over the previous year.

During 2017-18, your Company has secured projects worth Rs. 230.31 crores. 'Industrial, Process Plant, Material Handling, Electrical and Border Management Projects' segment are the highest contributors (57.82%), to the total turnover of the Company followed by Housing & Building Works including Hospital Projects whose percentage share is 36.53%.

Subsidiary Company/Joint Venture/Branch Office

Subsidiary Company is non-operational since its incorporation. Since Government did not support formation of the subsidiary, your Company approved closure of EPIUIDL through voluntary liquidation/voluntary winding subject to the approval by the Shareholders of EPIUIDL and Administrative Ministry agreed to closure of EPIUIDL. However, the closure through voluntary liquidation was not approved in the AGM of EPIUIDL held on 20.12.2017. Subsequent efforts of EPI to offer its shares to the other two shareholders was not successful. Thereafter a petition has been submitted with concerned authorities for summary winding up of the EPIUIDL.

A Joint Venture "EPI-C&C JV" (Unincorporated) was formed on 2nd August 2017 between Engineering Projects (India) Limited and C&C Construction Limited for Construction of Two Lane Road on NH specification from Paletwa to India – Myanmar Border (Zorinpui) from Km 0.00 to KM 109.20 on EPC mode in Chin State of Myanmar having participating interest of 60% for C&C Construction Ltd. and 40% for Engineering Projects (India) Ltd. C&C Construction Ltd. will act as lead partner of JV. Details of transactions made have been incorporated in the financial statements annexed to the Directors' report.

With respect to closure of the Branch at Riyadh, Kingdom of Saudi, all the licenses have been closed and final/financial closure is in advance stage.

Performance under MOU

The performance of the Company has been rated ""**Good**"" by the Department of Public Enterprises (DPE) in terms of MOU signed by the Company with the Government for the year 2016-17.

Dividend

Your Directors have proposed to declare NIL dividend for the Financial Year 2017-18 due to inadequacy of profits.

Human Resource

Company's focus is on securing projects in India as well as in foreign countries. In order to facilitate achieving the target, Company is aiming to acquire best of the talents with specialized skills at each level for execution of the on-going projects as well as new projects. Your Company makes all necessary efforts to develop technical and managerial skills of employees by conducting several in-house and external training programs, seminars and workshops at all levels.

Corporate Governance

Your Company firmly believes that good corporate governance, facilitates effective and prudent



management that can deliver the long-term success. The Company has various Manuals in place for ensuring transparency. The Company has been consistently complying with the requirements of Guidelines on Corporate Governance issued by Department of Public Enterprise (DPE).

Corporate Social Responsibility and Sustainability

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

During the year NIL budget have been allocated therefore, no new activities were undertaken. However expenditure was incurred towards the activities undertaken/completed in the previous years and was paid during 2017-18. However no new activities were undertaken during the year.

Acknowledgement

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

Sd/-

(S.S.Rawat)

Chairman of the meeting

DIN: 07555572

Place: New Delhi

Date: 26th September 2018



Engineering Projects (India) Limited

CIN : U27109DL1970GOI117585

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

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

Website : www.engineeringprojects.com

NOTICE

Notice is hereby given that the 48th Annual General Meeting of the members of Engineering Projects (India) (EPI) Limited will be held at the Registered and Corporate Office of the Company at Core 3, SCOPE Complex, (4th Floor), 7 Lodhi Road, New Delhi – 110003 on Wednesday, 26th September 2018 at 12 Noon to transact the following business :

Ordinary Business

1. To receive, consider and adopt the audited financial statements (including consolidated and Standalone) of the Company for the year ended 31st March 2018 together with Reports of the Board of Directors and Auditors thereon, and to pass the following resolution, with or without modification (s) :

“RESOLVED THAT financial statements (including consolidated and Standalone) for the year ended 31st March 2018 comprising Balance Sheet as at 31st March 2018, the Statement of Profit and Loss Account for the year ended 31st March 2018 along with Notes and Annexures, and the Auditors’ Report thereon, and the Directors’ Report along with its annexures including Management Discussion and Analysis Report, Report on Corporate Governance, and Corporate Social Responsibility and Sustainability Report, Secretarial Audit Report, Extract of the annual return (MGT-9), Form AOC-1 & 2 for disclosure of particulars about subsidiaries/Associates and contracts/arrangements entered into by the company with related parties as laid down before the meeting be and are hereby adopted.”

2. To declare dividend on equity shares for the financial year 2017-18. Board of Directors in its meeting held on 24th August 2018 had proposed NIL dividend for the financial year 2017-18 in view of inadequacy of profits.

Special Business

3. To ratify the remuneration of the Cost Auditor for the financial year 2018-19 as approved by the Board of Directors in its 261st meeting held on 28th March 2018 (as recommended by Audit Committee) and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 read with rule 14 of Companies (Audit and Auditors) Rules 2014, fee of Rs. 59,940/- (Rupees Fifty Nine Thousand Nine Hundred Forty only) plus applicable tax, TA/DA and out of Pocket expenses to be



paid as per actual for the visits outside Delhi/NCR, as recommended by Audit committee and approved by the Board of Directors to be paid to M/s. A.G. Agarwal & Associates as Cost Auditor for the financial year 2018-19 be and is hereby ratified and confirmed.”

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

(Sudha V. Varadhan)

Company Secretary

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

Date: 31.08.2018

Place: New Delhi

NOTES:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy in writing duly signed by him to attend and vote instead of himself/herself, and the proxy need not be a member. Proxies to be valid and effective must be deposited at the registered office of the company duly filled, stamped and signed not later than 48 hours before the commencement of the meeting, Blank Proxy form is enclosed.
2. Corporate members are requested to send a duly certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the meeting.
3. The relevant explanatory statement pursuant to Section 102(1) of the Companies act, 2013 & Secretarial standard 2 on General Meetings, in respect of Special Businesses, as set out above is annexed hereto.
4. As per the provisions of the Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or member (Section 105 of the Companies Act, 2013).A proxy form which does not state the name of the proxy or undated shall not be considered valid.(Secretarial Standard on General Meetings (SS-2)).
5. Nomination Form in duplicate is attached herewith. It is requested that all the members companies return the same duly filled, signed and stamped (Section 113 of the Companies Act, 2013).
6. With respect to appointment of auditors and fixing their remuneration, it is submitted that C&AG appoints Statutory Auditors for a government company in terms of section 139 of the Companies Act, 2013. The remuneration of statutory auditor is fixed by the shareholders in terms of section



142 of the Companies Act, 2013. The shareholders of EPI vide resolution passed at the 44th Annual General Meeting (AGM) dated 29th September 2014 authorised the Board to fix the remuneration of Statutory Auditors and Branch Auditors from the financial year 2013-14 onwards in terms of provisions of Companies Act, 2013. Accordingly, Board in its 261st meeting held on 28th March 2018 had fixed a fees of Rs. 12.77 Lakhs (towards statutory audit of Corporate Office and branch offices) for the financial year 2017-18.

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

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

Item No. 3: Ratification of remuneration of Cost Auditor

The Board, on the recommendation of the Audit Committee, had appointed M/s A. G. Agarwal & Associates as Cost Auditor to conduct audit of cost records of the Company for the financial year 2018-2019 at a remuneration amounting Rs. 59,940/- (Rupees Fifty Nine Thousand Nine Hundred Forty only) plus applicable tax, TA/DA and out of Pocket expenses to be paid as per actuals for the visits outside Delhi/NCR. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, the Resolution at Item No.3 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members of the Company.

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

To:

1. All Shareholders of EPI
2. Auditors of EPI
3. All Directors of EPI



Copy to:

1. Secretary to the Govt. of India,
Ministry of Heavy Industries & Public Enterprises,
Department of Heavy Industry,
Udyog Bhawan, New Delhi-110001

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

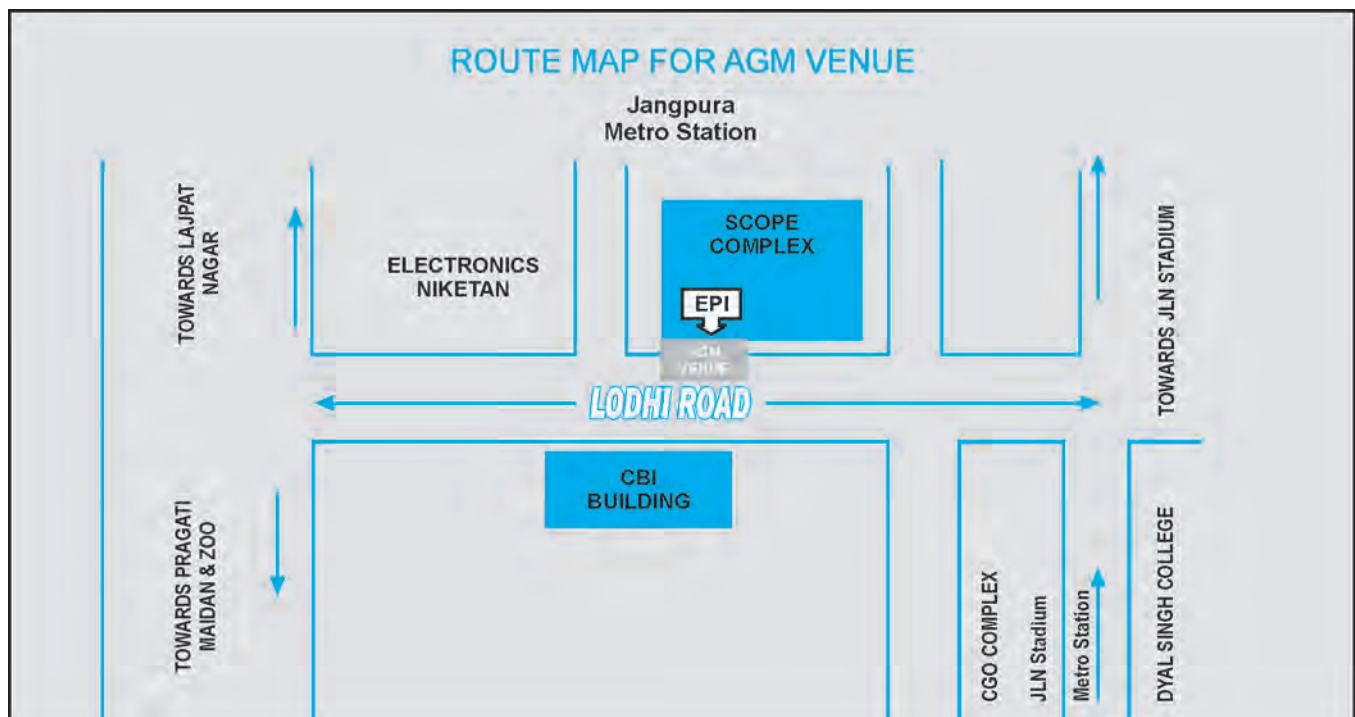
(Sudha V. Varadhan)

Company Secretary

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

Date: 31.08.2018

Place: New Delhi





NOMINATION FORM

To

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

Dear Sir/Madam,

I hereby nominate Mr./Ms. _____

(Name)

(Designation)

as my nominee to represent me at the 48th Annual General Meeting (and any other adjourned meeting thereof) of the Shareholders of EPI to be held on 26th September 2018 at 12 Noon.

Thanking you,

Yours' faithfully,

**Signature
Designation
Stamp and Seal**

Place:
Date:



FORM NO. MGT-11 PROXY FORM

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

CIN:

Name of the company:

Registered Office:

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

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

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

Resolution No.

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

Affix
Revenue
Stamp

Signed this day of 20.....

Signature of shareholder

Signature of Proxy holder(s)

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



ATTENDANCE SLIP

48th Annual General Meeting, Wednesday, 26th September, 2018 at 12:00 Noon.

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

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company and hereby record my presence at the 48th Annual General Meeting of the Company on Wednesday, 26th September, 2018 at 12:00 Noon at Core-3, SCOPE Complex, 4th Floor, 7 Lodhi Road, New Delhi-110003.

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

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



DIRECTORS' REPORT

Dear Members'

Your Directors have the pleasure in presenting the 48th Annual Report on the performance of the Company during the financial year 2017-18.

1. FINANCIAL HIGHLIGHTS

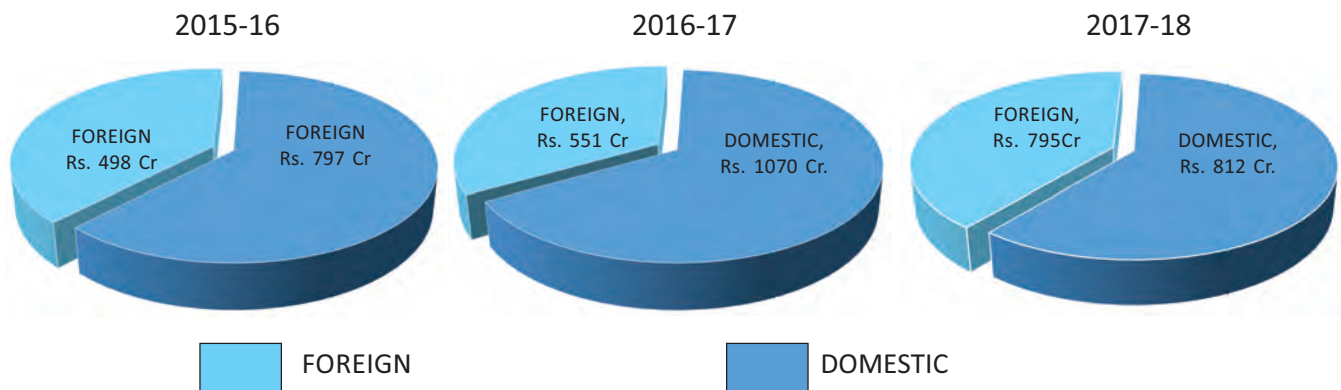
During the year 2017-18, the Company achieved an operating turnover of Rs. 1,60,741 Lakhs as against turnover of Rs. 1,63,038 Lakhs achieved during the previous year which is 1.41 % decrease over the previous year. Profit Before Tax (PBT) earned during this period stood at Rs. 171 Lakhs in comparison to Rs 412 Lakhs earned during the year 2016-17.

The financial highlights of your Company (standalone) during the year 2017-18 along with the corresponding previous year figures are as under-

(Rs. in Lakhs)

Sl. No.	Description	2017-18	2016-17
1.	Operating Turnover	1,60,741	1,63,038
2.	Other Income	1,527	3,384
3.	Total Income	1,62,268	1,66,422
4.	Gross Margin	812	1,170
5.	Interest Paid	486	614
6.	Depreciation	155	144
7.	Profit Before Tax	171	412
8.	Taxes	157	143
9.	Profit After Tax	14	269
10.	Net Worth	23,067	23,053

Turnover - Domestic & Foreign



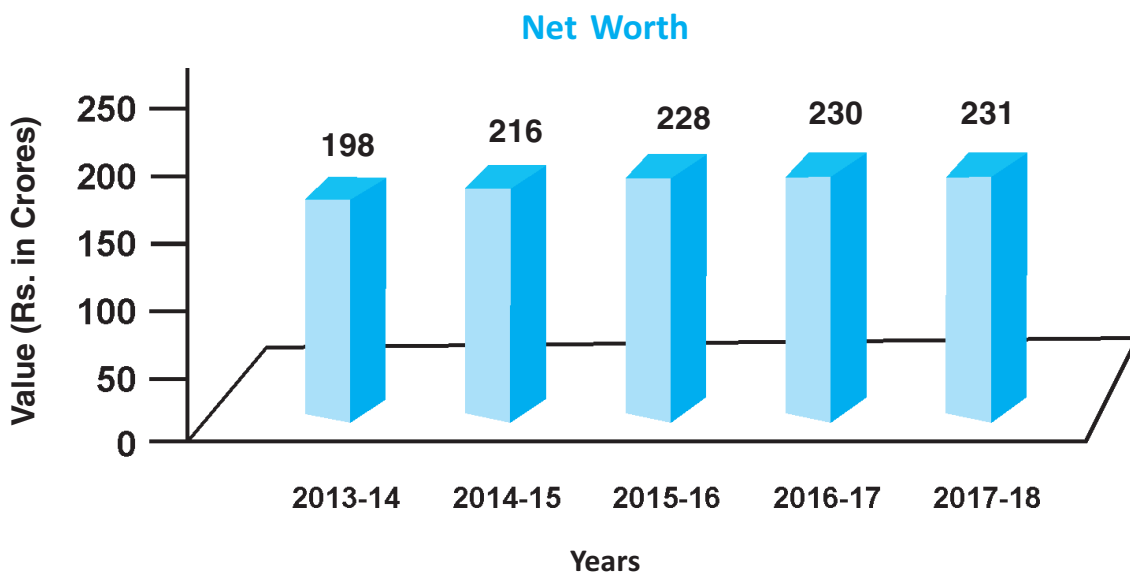


The Net Worth of the Company increased from Rs. 23,053 Lakhs to Rs. 23,067 Lakhs which is an increase of 0.06% over the previous year. The return on capital employed in 2017-18 is 2.85% as against 4.45 % in 2016-17.

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

2. CAPITAL STRUCTURE

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



3. DIVIDEND & RESERVES

Your Directors have not recommended any dividend (final /interim) for the financial year 2017-2018 due to inadequacy of profits.

It is proposed to declare NIL dividend for the Financial Year 2017-18 due to inadequacy of profit.

Accordingly, the balance amount in the Reserves & Surplus account as on 31st March 2018 stands at Rs. 19,525 Lakhs.

4. MARKETING ACHIEVEMENTS

During the financial year 2017-18, Company has secured projects worth Rs. 230.31 crores. Some of the major projects secured are given below:



Sl. No.	Name & Place of the Project	Client	Value (Rs. Crores)
1.	Construction of Assam Rifles projects at various locations in North Eastern States - Tripura, Arunachal Pradesh, Mizoram and Meghalaya.	Mahanideshalaya Assam Rifles Directorate General Assam Rifles, Shillong.	120.91
2.	Construction of Upgraded High School in Khandamal and Gajapati District, Odisha, Bhubaneswar.	ST & SC Development Department, Odisha.	40.00
3.	Construction of Upgraded Plus Two Colleges in Gajapati and Sundergarh District, Odisha.	ST & SC Development Department, Odisha.	22.00
4.	Consultant for Owner Engineer Services for Implementation of 2x660MW Khurja STPP of THDC.	NTPC Limited, Noida.	18.08
5.	Construction of Ekalabya Model Residential School at Champua Keonjhar District, Odisha.	ST & SC Development Department, Odisha	15.00

Major Projects under implementation in India & abroad.

- Engineer-3 Project (Phase – II), Oman at value of USD 470.00 Million.
- Construction of Two Lane Road on NH Specifications from Paletwa to India Myanmar Border (Zorinpuri) from km 109.2 in Chin State of Myanmar on EPC Mode at a value of Rs. 607.20 crores.
- Project Management Consultancy for Development of Campus of Central University of Jammu, Jammu at a value of Rs. 448.50 crores.
- Augmentation of Raw Material Receipt & Handling Facilities with New OHP, Part-B (Pkg. No. 061) of Bhilai Steel Plant, Bhilai at a value of Rs.550.82 crores.
- Augmentation of Fuel & Flux Crushing Facilities (Pkg. no. 064) of Bhilai Steel Plant, Bhilai at a value of Rs. 287.81 crores.
- Planning, Designing, Construction & Supervision of Rajiv Gandhi University of Knowledge Technologies, Phase-I at two constituent campuses, Basar & Nuzvid, AP, at a value of Rs. 255.80 crores.
- Construction and Development of New Polytechnic Institutes / Engineering Colleges in the State of Jharkhand, Strengthening of existing Technical Institutes and other Infrastructural Development works at a value of Rs. 487.22 crores.
- Construction of Medical College Campus for 100 MBBS Admission Annually and Up-gradation of the Govt. District Hospital, Barmer at a value of Rs. 139.00 crores.



- Construction of entire campus of National Institute of Pharmaceutical Education & Research (NIPER) at Guwahati at a value of Rs. 161.69 crores.
- Design, Construction, Supply, Installation and Commissioning of 5.00 LLPD Dairy Plant and 30 MTPD Powder Plant at Dehri-on-Sone, Bihar at a value of Rs. 113.48 crores.
- Construction of Intake Well, Water Treatment Plant, Distribution Pipe Lines, Overhead Tank & providing Household connections at Singrauli, MP at a value of Rs. 101.84 crores.
- Construction of District Head Quarters Hospital with 100 bedded Mother Child Hospital at Kendrapara at a value of Rs. 110.16 crores.
- Construction of Border Road / Fence along Indo- Bangladesh Border, Mizoram at a value of Rs. 259.06 crores.
- Construction of Flood Lighting along Indo-Bangladesh Border in the state of Mizoram at a value of Rs. 181.16 crores.
- Construction of Border Out Posts for Border Security Force along the Indo-Bangladesh Border in Mizoram & Tripura at a value of Rs. 357.20 crores.
- Project Management & Execution Consultant for setting up of Medical College and Hospital in Sundergarh District, Odisha at a value of Rs. 417.77 crores.
- Construction of Township at Khilpara, Tripura for 2x363.3 MW Gas based Combined Cycle Power Plant of OTPC at Palatana, Udaipur, Tripura at value of Rs. 106.00 crores.

Projects Completed in India & abroad.

The Company has completed following major projects during the year:

- Surface Water Development in Chilaw & Puttalam Dry Zone Urban Water & Sanitation Project (Sri Lanka).
- Construction of Multipurpose Cyclone Shelters at 20 locations in North 24 Parganas and 15 locations in Purba Medinipur Distt. of West Bengal, Kolkata.
- Construction of Modern Food Storage Godown of 5000 MT capacity each along with it's ancillary structures in different districts of West Bengal under RIDF-XVIII.
- Construction of Partially Completed Building Innovation Park of Centre for Development of Advance Computing (CDAC), Pune Campus, Pune, Maharashtra.
- Civil, Electrical and other Utility Services for Construction of Hangars, Utility Buildings and Allied Facilities for package - Civil II (Rotable) in Factory Excluding Pre-engineered Building Structures (PEB) Nasik, Maharashtra.
- Construction of various Building Complexes for Tripura State Electricity Corporation Ltd., Agartala.
- Construction of 32 nos. Type-II Qtrs. & 16 nos. Type-IV Qtrs. for Assam Rifles at Dwarka, New Delhi.



- Face Lifting and Renovation of Hostels A,B,D,E & F of existing Campus of NIT, Raipur.
- Construction of 02 nos. 120 Barracks at 29th Battalion, ITBP, Jabalpur (M.P.).
- Construction of 32 nos. Type-II & 16 nos. Type-III Quarters at 29th Battalion Jabalpur (M.P.).
- Extension of existing Auction Platform in Chennai Harbour by Reclamation and Construction of Block Wall, Chennai.

5. ORDER BOOK POSITION

At the end of financial year 2017-18, the Company is having work in hand of Rs. 7860 crores including work valuing Rs. 1021 crores which are held up due to non-availability of funds, work fronts etc. on part of clients.

6. PERFORMANCE RATING UNDER MOU

The performance of the Company has been rated “**Good**” by the Department of Public Enterprise (DPE) in terms of MoU signed by the Company with the Government for the year 2016-17.

7. CORPORATE GOVERNANCE

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

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

8. CREDIT RATING

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

9. VIGILANCE ACTIVITIES

During the year a number of steps were taken by Vigilance Division to achieve complete transparency in all the operations of the Company. Almost more than 90% of the activities of the company (works & supply items) are under the ambit of “Integrity Pact” by lowering down the threshold value of the Projects. Limit of “Press Advertisement” for tenders / bids, to achieve wider publicity has been reduced and E-payments & E-tendering have been made mandatory. Inspection Reports of the Projects are now being sent to the management, pointing out shortcomings, if any, in the procedures followed in ‘Award of Works’, Site works and Supply etc. with the suggestion/s for systemic improvement/s. All the Complaints were thoroughly investigated and put to a logical end by taking measures in form of recommendations for systemic improvement or action against erring individual/s, if any.



Further, “Vigilance Awareness Week – 2017” was observed in EPIL from 30.10.2017 to 04.11.2017 in its various offices as per the directions of CVC. On this occasion the following programmes such as an Essay Competition on “Anti-Corruption Strategies for my Organization”, Poster Competition on “Picture for Corruption Free India”, Slogan Competition on “Corruption Free India”, lecture on “Preventive Vigilance in Contracts & Contractual Agreement” was organized at EPIL’s Corporate Office, New Delhi on 03.11.2017. This lecture was addressed by Shri Anand Kumar, Secretary to Govt. of India, Ministry of New & Renewable Energy were organized for all EPIL employees/consultants/contract employees.

During the year 2017-18, out of 24 cases, (2 at the beginning of the year and 22 received during the year) 20 vigilance cases have been disposed off and 4 cases were pending at the close of the year.

10. HUMAN RESOURCE

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

As on 31st March, 2018, Company had a strong force of 363 employees, which included 43 women employees and 317 employees are technically and professionally qualified.

11. SC/ST PERSONNEL

As on 31st March 2018, No. of ST persons are 11; out of which 10 are male and 1 is female employee and No. of SC persons are 63; out of which 60 are male and 3 are female employees.

12. PHYSICALLY CHALLENGED PERSON

As on 31st March 2018, No. of physically challenged persons was 2 which constituted 0.55% of the total strength.

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

13. PROPAGATION OF RAJBHASHA/HINDI

In order to implement and promote the Rajbhasha in the organization, a scheme of “Hindi ShikshanYojna” was made under which special classes are conducted for officers/employees. Quarterly Progress Reports on Hindi implementation has been submitted online to Rajbhasha Vibagh, Ministry of Home Affairs. As per the Official Language Policy, company’s website is ready in bilingual format. EPI is a member of NARAKAS (Nagar Rajbhasha Karayanvyan Samiti) and nominations are sent on regular basis in the month of October / November every year for participation in various programmes and competitions (In Hindi) organized by NARAKAS. EPI has



also organized NARAKAS Pratiyogita in which 24 PSU's employees participated. Official Language Department, Govt. of India as well as Administrative Ministry have given special appreciation for the efforts made by the company for implementation of Rajbhasha.

"Hindi Divas" / "Hindi Pakhwara" is organised in the month of September every year, in which various competitions for employees and their families are being organized in Hindi like Writing competition, Poem Recitation, Chitra Abhivaykti, Dictation, Noting- Drafting, Hastakashar, Debate, Quiz etc. For encouragement of the employees participation in various competitions organized for propagation of Hindi, Smriti Puraskaar Yojana in the name of "Swargiye Shankar Dayal Singh Shield" has been introduced and to generate interest among the employees for their contribution towards official correspondence in Hindi Language, a Cash Reward Scheme is well in place. Winner receiving the maximum no. of prizes shall be entitled to the Puraskaar/Shield under the scheme. Hindi Workshops ('Karyashalas') are conducted on quarterly basis to generate awareness among the employees regarding importance of Rajbhasha.

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 complaints (made by the victim) at workplace and for ensuring time bound treatment of such compliances. During the year, no complaint was received.

15. PUBLIC PROCUREMENT POLICY

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

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

16. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

CMD is appointed in the revised schedule "B" scale of pay of Rs 75,000-90,000 (IDA), Directors are appointed in the revised schedule "B" scale of pay of Rs. 65,000-75,000/- of IDA pattern. Their terms and conditions are fixed by the Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry.

17. ECONOMY IN ADMINISTRATIVE EXPENDITURE

Keeping in view the Government Directives, Company achieved economy in administrative expenditure in EPI during the year 2017-18.



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 2017-18

Name of Director	Designation	Period
Shri Lekh Raj Director(Finance), EPI	Director(Finance)#	13.04.2017
Shri N. Sivanand Joint Secretary, DHI	Additional charge of Chairman & Managing Director*	15.06.2017

#DHI vide order no. 16(6)/2015-TSW dated 13.04.2017 has appointed Shri Lekh Raj for the post of Director (Finance) (DIN allotted on 15.04.2017).

*Additional charge of the post of Chairman & Managing Director (A/C), EPI was entrusted to Shri N. Sivanand, Joint Secretary, DHI vide various DHI's orders with effect from 15.06.2017 and as per the latest order no. 12-16/1/2017-TSW(Pt.file) dated 03.05.2018, DHI had extended the additional charge of the post of CMD, EPIL for a further period of six months w.e.f. 15.03.2018 or till finalization of the disciplinary proceedings against Shri SPS Bakshi, CMD, EPIL or until further orders, whichever is the earliest.

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

Directors/Key Managerial Personnel (KMP) ceased/resigned during the year 2017-18

Name of Director	Designation	Period
Shri S. Sakthimani Director (Finance), CCI	Additional charge of Director (Finance)	29.03.2017- 13.04.2017

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

19. DIRECTOR'S RESPONSIBILITY STATEMENT

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

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended on 31st March, 2018 and of the profit of the Company for that period;



- iii) That proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the annual accounts have been prepared on a going concern basis; and
- v) That the directors have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

21. NO. OF MEETINGS

During the year 2017-18, Nine (9) meetings of the Board of Directors were held. Details of Board and Board Sub-Committee Meetings are given in Report on Corporate Governance annexed with this report at **Annexure B**.

22. SUBSIDIARY COMPANY/ASSOCIATES/JOINT VENTURES

Subsidiary Company:

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

The 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 to closure of EPIUIDL. However the closure through voluntary liquidation was not approved by BUIDPL in 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.

During the year, the expenditure incurred by the Subsidiary Company is mentioned in notes to accounts. During the financial year 2016-17, 100% provision has been made against the investment of Rs. 5,10,000/- in the Subsidiary Company. Since EPIUIDL is non operative and Board of EPIUIDL is not active, the Financial Statements could not be approved and presented to CAG appointed Statutory Auditors. Hence the Financial Statements for the year ended 31.3.2018 could not be audited and hence Auditors remuneration for the year 2017-18 has not been provided for.



Associates : Joint Venture

A Joint Venture “ EPI-C&C JV” (Unincorporated) was formed on 2nd August 2017 between Engineering Projects (India) Limited and C&C Construction Limited for Construction of Two Lane Road on NH specification from Paletwa to India – Myanmar Border (Zorinpui) from Km 0.00 to KM 109.20 on EPC mode in Chin State of Myanmar having participating interest of 60% for C&C Construction Ltd. and 40% for Engineering Projects (India) Ltd. C&C Construction Ltd. will act as lead partner of JV. Details of transactions made have been incorporated in the financial statements annexed to the Directors’ report.

23. CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to provisions of Section 129(3) of the Companies Act, 2013 and Accounting Standard-21, the Company has prepared its Consolidated Financial Statements including that of Subsidiary Company i.e. EPIUIDL which shall be placed at the ensuing Annual General Meeting (AGM) along with the Standalone Financial Statements of the Company for the year 2017-18.

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

24. AUDITORS

a) Statutory and Branch Auditors

The Statutory and Branch Auditors of the Company appointed by Comptroller and Auditor General of India (C&AG) for the year 2017-18 are as under-

S.No	Name of the Firm	Region
1.	M/s. K G Somani & Co., New Delhi	Statutory Auditors
Branch Auditors :		
1.	M/s. Aiyar & Co, New Delhi	Northern Region Branch Auditors
2.	M/s. M Raghunath & Co., Kolkata	Eastern Region & North Eastern Region Branch Auditors
3.	M/s. A S L &Co, Mumbai	Western Region Branch Auditors
4.	M/s.Yoganandh & Ram,LLP, Chennai	Southern Region Branch Auditors
5.	M/s HC Shah & Co, Oman	Oman Branch Auditors
6.	M/s Ranaweera Associates, Sri Lanka	Sri Lanka Branch Auditors

b) Secretarial Auditor

The Company has appointed M/s. Vishal Agarwal & Associates as Secretarial Auditor for the Year 2017-18 in compliance to the provisions of section 204 of the Companies Act, 2013 read with Rule 9(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

c) Cost Auditor

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



The Company has appointed M/s. A.G Agarwal & Associates as Cost Auditor for the financial year 2017-18 in compliance with the provisions of Section 148 of the Companies Act, 2013.

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

STATUTORY AUDIT REPORT

The Statutory Audit Report for the year 2017-18 and reply to comments on accounts, if any, is annexed thereto. There are no qualifications/reservations in the Statutory Auditors' report. However, some points have been mentioned under "Emphasis of Matter" which have been considered in the preparation and finalization of the financial statements i.e. adequate/sufficient provision has already been made in the accounts or appropriate accounting treatment has already given or appropriate or sufficient accounting policy is already in place and recommendation made for strengthening of existing process of seeking balance confirmation has been noted for future compliance.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report for the year 2017-18 and reply to comments, if any, is annexed to this report. There are no qualifications/reservations in the Secretarial Audit report. However, the factual information/observations w.r.t. Disinvestment of EPI, Closure of Subsidiary Company i.e. EPIUIDL, ongoing CBI case including suspension cases, have been included in the report.

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

During the year 2017-18, no loan, guarantee or investment under section 186 of the Companies Act, 2013 have been made.

27. DISCLOSURE OF PARTICULARS

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

27.01 Energy Efficiency and its Conservation –

EPI has been consistently laying emphasis on utilizing energy efficient equipment in its office premises and in various projects entrusted to it for execution so as to minimally affect on the ecology and environment. As a constructional Project Management organization EPI is implementing projects designed to save the energy like BMS in HVAC system, LED fixture for lighting, automatic switch off/on for outdoor lighting, DG Set synchronizing, use of Solar System as alternate source of energy, automation in industrial projects for better efficiency & less consumption. In data centre, we use Modular UPS for increase in efficiency and full utilization of energy.

Due to limited fossil fuels like oil & coal, the resources for generation of electrical energy are depleting day by day. Over 60% of these resources have been consumed. It is revealed that there is requirement of improvement in energy generation, efficient improvement in energy transportation and enhancement of performance efficiency of use end apparatus.



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

- a) **Balancing of phase load:** As a result of unequal loads on individual phase sequence, components causes over heating of transformers, cables, conductors, motors. Thus, increasing losses and resulting in the motor malfunctioning under unbalanced voltage conditions.
- b) **Energy Conservation by using power factor controller:** Low power factor will lead to increased current and hence increase losses and will affect the voltage. We use Power Factor Controller or Automatic Power Factor Controller Devices.
- c) **Automation by PLC:** We are using complete automation technique by using PLC to run industrial projects to handle the raw materials.
- d) **Use of Soft Starter:** Soft starters help to restrict the starting current and also provide smooth start and stop operations in conveyors & HT equipments application.

27.02 Technology Absorption

a) Research and Development

Considering company's nature of job, there is limited scope of Research & Development as EPI is executing the work based on the requirement of clients. However EPI has actively provided state of the art technology like neutral technology beside conventional RCC Framed Structure i.e. precast, modular monolithic concreting using Aluma formwork system etc. for faster and cost effective construction.

b) Technology Absorption

The company is making continuous effort to upgrade technology and construction technique. Government of India unveiled with much fanfare the Smart Cities Mission (SCM), one of its marquee initiatives aimed at upgrading 100 cities. Among the projects in SCM are affordable housing, integrated multi-modal transport, creation and preservation of open spaces, and waste and traffic management, among others. The projects focus either on a particular area of the city or the entire city. In light of SCM, EPI has signed MOU with 9 French companies to participate in implementation of Smart Cities Mission of Government.

The company has developed a state of the art Border Infrastructure and Surveillance System for international projects, adopting a combination of physical and electronically controlled barriers, real-time display monitoring with an intelligence system using sensors, optical fiber cables and HRC camera's keeping the international border safe and secure for prevention of infiltration/trafficking.

c) Information Technology and Enterprise Resource Planning (ERP)

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

The ERP – SAP for the modules HR & Payroll, Financial Management and Document Management



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

27.03 Foreign exchange earnings and outgo

During the year 2017-18, the Company earned a foreign exchange of Rs. 79,699 Lakhs against Rs. 55,254 Lakhs in the Financial year 2016-17. The expenditure incurred in Foreign Exchange is Rs. 74,645 Lakhs in 2017-18 against Rs. 53,078 Lakhs in 2016-17.

28. QUALITY, HEALTH AND SAFETY MANAGEMENT

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

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

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

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

30. CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY

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

31. INTERNAL FINANCIAL CONTROL

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

32. CEO/CFO CERTIFICATION

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

33. DEPOSITS

During the year 2017-18, company has not taken any Deposits covered under or which are not in compliance with the requirements of Companies Act, 2013.



34. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

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

36. EXTRACTS OF ANNUAL RETURN

As per the requirement of Section 92 (3), Section 134 (3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, an extract of Annual Return is annexed at **Annexure E** to this report. Vide Companies (Amendment) Act, 2017 read with MCA notification dated 31st July 2018, this requirement has been dispensed with.

37. ACKNOWLEDGEMENT

Board of Directors would like to place on record its deep appreciation of the valuable services and dedicated efforts of the members of the Engineering projects (India) Ltd. in the Corporation's achievements. The Board also wishes to thank the Government of India, particularly the Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry, Department of Public Enterprises, and the various State Governments, regulatory and statutory authorities for their valuable guidance and support. The Board is also grateful to the Company's bankers, investors, customers, consultants, contractors, and vendors for their continued support and confidence reposed in the Company. Board also would like to convey their appreciation to all employees for valuable services and co-operation extended by them and are confident that they will continue to contribute their best towards achieving better performance in future.

For and on behalf of the Board

Sd/-

(N.Sivanand)

Chairman & Managing Director (A/C)

DIN: 07852689

Place: New Delhi

Date: 29th August 2018



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

The Global Infrastructure Outlook reflects that rising income levels and economic prosperity is likely to further drive demand for infrastructure investment in India over the next 25 years to the tune of USD 4.5 trillion.

The Construction industry is an important indicator of the development as it creates investment opportunities across various related sectors. In India, the construction industry has been contributing 8% to 10% to the national GDP since many decades. According to BMI Research, India's construction industry will see growth of 6.1% in 2018 – an increase on the 5% growth experienced in 2017. Real growth will average 6.2% between 2018 and 2027. The infrastructure development has received huge impetus by the state.

In 2015, the government launched the Smart City Mission and the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) scheme. Under the Smart City Mission, the government plans to develop the infrastructure of 100 selected cities with an investment \$7.2 billion, whereas under the AMRUT scheme it plans to spend \$7.4 billion to develop 500 cities by 2022.

Road transport being the dominant mode of transport in India which contributes significantly to the national economy, measures to boost it resulted in augmenting of the road length to 5.717 million km from 3.373 million km in 2001 while the vehicles grew by four times to 229 million during the period. In shipping, projects with an investment of around Rs 10,000 crore and capacity addition of about 80 MMTPA are targeted for award. Of these, 15 projects involving an investment of around Rs 3,159 crore and capacity addition of 18 MTPA have already been awarded.

Bharatmala and Sagarmala are the most important initiatives for highways and shipping sectors respectively. Under Sagarmala ports, master plans have been finalized under which 131 port capacity expansion projects with project cost of Rs 85,346 crore have been identified for the implementation over next 20 years. All-India installed power generation capacity has increased substantially over the years and reached 330860.6 MW as on November 30, 2017. The telecom sector, under phase II of Bharat Net to connect 1.5 lakh gram panchayats with high speed broadband is likely to be completed by March 2019.

The civil aviation sector is being revived with provision of Rs 4,500 crore for revival of 50 unserved and underserved airports/air strips taken up with budgetary support of government to be completed by December 2018.

According to the rating agency ICRA the domestic steel demand is tipped to grow in the near term on the back of strong demand led by government spending on infrastructure. The demand boost is set to partially offset cost pressures that domestic companies are likely to face in the near to medium term. Production growth too is expected to revive on the back of a likely pickup in domestic demand and favourable international steel prices, enabling an export push.



The Traffic Management and Information Control Centres (TMICCs) are control rooms having requisite IT infrastructure, applications, video walls, operator consoles and other visualisation tools that support monitoring and management of traffic on the road network. TMICCs are connected with field equipment deployed in the transportation network such as traffic signals, sensors, cameras, detectors etc. These equipment are controlled through the TMICCs and provide data feed to the TMICC in order to support management of traffic flow, incident management and dissemination of traffic information. National Urban Transport Helpline (NUTH) being planned are expected to disseminate public transport and other travel related information to facilitate travel planning by public. NUTH would be developed for various India cities and would provide public transport information through several channels, namely, a common unified telephone helpline number, website, mobile application and social media.

NUTH would make use of information and communication technologies to deliver information to a wide range of travellers who use different modes of travel and have wide variety of travel characteristics. This would enable travellers to make informed travel choices and would also lead to effective utilization of the transportation assets and facilities.

The Government is also planning to improve regional and global connectivity to spur economic growth and pursue its strategic interests in Asia and beyond. Projects like India Myanmar Thailand Trilateral highway, development of Sitwe port and INSTC or the International North South Trade Corridor are being expedited.

Thus it can be advocated that the outlook for the construction sector is very positive with the government ready to mobilize \$1 trillion investment plan over the next five years to give a fillip to highways, roadways, real estate, and renewable energy.

SWOT Analysis

Strengths & Weakness

EPIL has over 45 years of operational experience which gives it a huge advantage over its competitors. It has shown consistent growth over the years. It has a talent pool of over 300 employees. EPI has been able to foster a collaboration with proficient associates to build an economies of scale. Further it has executed large-scale civil engineering and infrastructure projects such as roads, bridges, highways, institutional buildings, border management and most of them have been executed in challenging environments facing inhospitable terrain civil wars, insurgency and political turmoil. EPI was one of the first construction company in India to establish footprints in the middle east EPI has the rare distinction of having worked for almost all Power utilities and Steel Plants both in the Public Sector as well as in the Private Sector. It has huge presence in health sector as well. .EPI has been a pioneer in Project Exports and opened up avenues for other Indian contracting companies. Slowdown in private investments offers an opportune occasion for public sectors like EPIL to offer its proficiency in construction to bridge the infrastructure deficit in the country.

The construction industry everywhere faces problems and challenges. However, in developing countries like India, these difficulties and challenges are present alongside a general situation of socio-economic stress, chronic resource shortages, institutional weaknesses and a general inability to deal with the key



issues EPIL faces the challenges which are faced by the larger ecosystem. Further it has to depend on associates for equipment and plant machinery. Furthermore it faces human resource management issues like high attrition and lack of succession planning.

Opportunities & Threats

India's construction industry will continue to grow at a CAGR of 4.16% from now until 2021. India is one of the world's most vibrant markets for building infrastructure at the moment. Public sectors have a huge role to play especially when private investment is not very encouraging.

This presents a huge opportunity for EPIL undertake diversification to enter new segments like the MRTS, renewable energy, port development, border roads, nuclear energy and affordable housing.

EPIL faces strong competition from global players and Indian companies. Currently, the barriers to entry in construction are low, creating a saturated marketplace with heavy competition. This competition is shrinking profit margins and constraining essential reinvestment in new technology and better business practices. Stagnant construction labor productivity is compounding this problem. Design complexity compounds this problem. There is a crunch in skill trades, manifested in lack of construction professionals such as supervisors, estimators, and engineers. Achieving targets for global carbon dioxide emissions reduction will be a major challenge and EPI needs to adopt climate friendly construction processes which may escalate the operational cost in the short run.

SEGMENT WISE AND PRODUCT WISE PERFORMANCE

Industrial, Process Plant, Material Handling, Electrical and Border Management Projects segment remained the highest contributor with 57.82% of share to the turnover of the Company, followed by Housing & Building works including Hospital Projects segment though its percentage share has decreased as compared to last year from 41.81% to 36.53%. However, there is marginal increase in the percentage share of Dams & Irrigation Projects segment and decrease in Water Supply & Environmental Schemes Segment as compared to last year.

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

(Rs. in Crores)

Sl.No	Segments of Projects	2015-16		2016-17		2017-18	
		Turnover	%	Turnover	%	Turnover	%
1	Housing & Building Works including Hospital Projects	462.13	35.67	678.00	41.81	587.24	36.53
2	Dams & Irrigation Projects	0.46	0.04	49.19	3.03	51.84	3.23
3	Industrial, Process Plant, Material Handling, Electrical and Border Management Projects	741.01	57.20	802.21	49.47	929.48	57.82



4	Water Supply & Environmental Schemes	37.70	2.91	68.60	4.23	37.01	2.30
5	Transportation Structures	11.58	0.89	18.75	1.16	-	-
6	Other Projects	42.58	3.29	4.70	0.29	1.84	0.12
	Total	1295.46	100.00	1621.45	100.00	1607.41	100.00

OUTLOOK

EPI has the distinction of having executed a large number of medium and large size Civil & Infrastructural projects, Integrated Modern Townships with all the attendant infrastructure, prestigious Public and Multi-storeyed Buildings, Tall Structures such as Grain Silos and TV Towers using slip forming, Sports Stadia, Auditoria, Voluminous Deep Excavations, Tunneling, Foundations for Heavy Plant and Equipment, Fabrication and Erection of Heavy Structural Work etc.

As part of the above and other projects, EPI has also completed large electrification and air conditioning works, water supply systems, fire fighting and other infrastructural facilities.

EPI has executed a large number of industrial projects for various clients in India and abroad. These projects range from Ammunition Plant, Mechanical Training Center etc. in Iraq, Oil Tank Farms, Electrification Projects in Saudi Arabia to Oil Depots, Cross Country Oil Pipelines, Group Gathering Stations, Ore Beneficiation Plants, Coal Washeries, Material Handling Plants, Finishing and Processing lines and Furnaces for Steel Plants, Water Supply and Distribution, Water Treatment Plants, Effluent Treatment Plants, Sulphuric and Nitric Acid Plants, Sugar Plants, Port Handling Facilities, Border Fencing etc. EPI has also implemented a number of Processing Plants involving Process Piping, Vessels, Columns, Heat Exchangers, Pumps, Compressors and Sophisticated Control and Instrumentation Works.

EPI's activities cover almost all types of Industries. EPI has collaborated with various world renowned organisations for executing projects in specific areas.

EPI is presently doing a large number of Water Supply and related projects in various States throughout India. These include Water Treatment Plants, Laying of Pipelines for Supplying Water, Overhead Storage Tanks etc. It has identified Highways / Roads, Dams/Tunneling Projects, Irrigation / Canal Projects, Environmental Projects and Overseas Projects as thrust areas. It is in fact doing quite a few Road Projects for various State Governments. In Bhilai Steel Plant have developed an industrial complex. Hospitals have been developed in the north east. Further in defense, perimeter surveillance and security, development of air base and border management (Indo-Bangladesh and Indo-Pakistan) are being explored. EPI has already constructed border roads, border outposts and border fencing at Oman-Yemen border. Furthermore, EPI is diversifying into affordable housing sector with project procurement at Jodhpur. Renewable energy sector is being explored to execute projects of Solar PV grid projects.

EPI has to ensure that it continues to focus and maintain business in its most profitable segments while expanding into new business segments in line with Government credit facilities vis a vis MoU signed between the Government and other countries. Further there should be an emphasis to deliver exceptional client service with an unrelenting focus on value creation, operational excellence, quality focus and



emphasis on O&M cost to avoid recurring expenditures.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO THE OPERATIONAL PERFORMANCE

During the year 2017-18, the Company achieved operating turnover of Rs. 1,60,741 Lakhs as against the previous year turnover of Rs. 1,63,038 Lakhs and earned Profit Before Tax (PBT) of Rs. 171 Lakhs as against previous year's PBT of Rs. 412 Lakhs. The Gross Margin of the year was Rs.812 Lakhs as compared to Rs. 1170 Lakhs in the previous year.

The net worth of the Company has increased by Rs.14 Lakhs from Rs. 23,053 Lakhs in the year 2016-17 to Rs. 23,067 Lakhs in the year 2017-18.

It is proposed to declare NIL dividend for the Financial Year 2017-18 due to inadequacy of profit.

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

Company's focus is on securing projects in India as well as in foreign countries especially in Middle East, Africa and South Asia. In order to facilitate achieving the target, Company is aiming to acquire best of the talents with specialized skills at each level for execution of the on-going projects as well as new projects .During the year 2017-18, 13 employees were recruited who are professionally and technically qualified.

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

In the financial year 2017-18, 46 no. of In-house Training Mandays were conducted and 23 no. of external Training Mandays were conducted.

ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, FOREIGN EXCHANGE CONSERVATION

a) Environmental Protection & Conservation

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



Extensive environment friendly and energy saving measures like compulsory use of flyash bricks and Portland pozzolana cement, tree plantation, wheel washing facility, water harvesting, renewable energy like solar and wind energy, light sensor, dimmable light etc. are being used by the Company. The Company has adopted Green Rating for Integrated Habitat Assessment (GRIHA) norms in execution of Projects, which resulted conservation of environment as well as savings in energy. The Company also follows various environmental measures such as control of noise, control of leakage of Oil, control of wastage of water, control of smoking etc. and plants trees. Environmental friendly equipments such as solar lights are also being installed at Corporate Office/ various project sites.

b) Technological Conservation

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

- Use of excavated material like limestone/clinkers for stabilization of sand dues for construction of roads and fence foundation, etc.
- Sewage treatment with zero discharge including online treatment with recycling, eco sanitization for desalination, effective micro-organism technology.
- Adoption of rapid monolithic disaster proof technology in construction of mass housing and other construction projects.

c) Foreign exchange conservation

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

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

Cautionary Statement

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



REPORT ON CORPORATE GOVERNANCE

1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

2. BOARD OF DIRECTORS

(A) Composition of the Board

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

The Board of EPI comprises 3 Functional/Whole Time Directors, 2 Government Nominee Directors and 3 Independent Directors. As on 31.03.2018, one position of Independent Director was lying vacant. The additional charge of the position of Chairman and Managing Director was held by Shri N. Sivanand, Joint Secretary, DHI. Administrative Ministry is seized of the above position.

(B) Details of the composition of the Board of Directors, category of the Director, attendance at the Board Meeting & Annual General Meeting (AGM) and other Directorships during the financial year 2017-18 are given below:

Name of Directors	Category	Board Meeting Attended (April' 17 March'18)	Attendance at the last AGM	No. of Directorships Other Public Companies (excluding EPI)	Tenure
(a) Chairman & Managing Director (Additional Charge)					
Shri N.Sivanand, Joint Secretary, DHI DIN: 07852689	Chairman & Managing Director-(Additional charge)	6/6	Yes (attended adjourned AGM)	3 (TMTP, EPIUIDL, HPCL)*	w.e.f. 15.06.2017 (refer notes below)
(b) Whole Time/Functional Directors					
Shri SPS Bakshi DIN: 02548430	Chairman-cum- Managing Director	NA	NA	NA	w.e.f 05.02.2009 (refer notes below)



Shri Vinoo Gopal DIN: 05173442	Director (Projects)	9/9	yes	1 (EPIUIDL)*	w.e.f. 02.01.2012 Till 30.06.2018
Shri S. Sakthimani Director (Finance), CCI DIN: 07482308	Director (Finance)- Additional charge	1/1	NA	1 (CCI)*	w.e.f. 29.03.2017 Till 13.04.2017
Shri Lekh Raj DIN: 07794894 [#]	Director (Finance)	8/8	Yes	Nil	w.e.f. 13.04.2017
(b) Govt. Nominees/Part-Time Official Directors					
Shri Vishvajit Sahay, Joint Secretary, Ministry of Heavy Industries & Public Enterprises DIN: 06840620	Director	8/9	No	4 (H.M.T.L, HMTLMTL, HECL, H.M.T.(I) L)*	w.e.f. 03.11.2016
Shri Siya Sharan Chief Controller of Accounts (CCA), Ministry of Heavy Industries & Public Enterprises DIN: 07401363	Director	5/9	No	2 (HECL, HMTMTL)*	w.e.f. 11.01.2016 (Refer notes below)
(c) Independent Director/Part Time (Non-Official) Director					
Shri Sushant Baliga Faculty of Mgt. Sciences, University of Delhi DIN: 06462815	Director	9/9	No	1 (EPIUIDL)*	w.e.f. 18.11.2015
Dr. Anita Chaudhary IAS, Retired Secretary of Department of Land Resources, Govt. of India DIN: 07328842	Director	9/9	Yes	1 (NPCIL)*	w.e.f. 01.12.2015

***Abbreviations used:**

TMTPL - Tumakuru Machine Tool Park
 HPCL - Hindustan Paper Corporation Limited
 H.M.T.L - H.M.T.Limited
 HECL - Heavy Engineering Corporation Ltd.;
 NPCIL - Nuclear Power Corporation of India Ltd

EPIUIDL - EPI Urban Infra Developers Limited
 CCI - Cement Corporation of India Limited
 HMTMTL- HMT Machine Tools Ltd.;
 HMT(I)L - HMT (International) Limited
DIN allotted on 15.04.2017



Notes:

Following changes took place in the Directorship during the year 2017-18, and thereafter till the date of this report:

1. Shri Vinoo Gopal, Director (Projects), EPI, vide Order No. 16(5)/2017 dated 24.03.2017, was entrusted the additional charge of the post of Chairman & Managing Director for a period of three (3) months with immediate effect or until further orders whichever event takes place at the earliest.
2. Shri S. Sakthimani, Director (Finance), CCI, who was entrusted the additional charge of Director (Finance)-EPI vide order no. 16(6)/2015-TSW dated 29.03.2017, relinquished from the services of EPI on 13.04.2017 consequent upon appointment of Regular incumbent to the post of Director (Finance). During the above period, no Salary or allowances have been paid to him.
3. Shri Lekh Raj was appointed as Director (Finance), EPI 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 earliest vide DHI order no 16(6)/2015-TSW dated 13.04.2017. Shri Lekh Raj has assumed charge on 13.04.2017. [DIN allotted by MCA on 15.04.2017].
4. Additional charge of the post of Chairman & Managing Director (A/C), EPI was entrusted to Shri N. Sivanand, Joint Secretary, DHI vide various DHI's orders with effect from 15.06.2017 and as per the latest order no. 12-16/1/2017-TSW(Pt.file) dated 03.05.2018, DHI had extended the additional charge of the post of CMD, EPIL for a further period of six months w.e.f. 15.03.2018 or till finalization of the disciplinary proceedings against Shri SPS Bakshi, CMD, EPIL or until further orders, whichever is the earliest.
5. DHI vide order dated 24.03.2017 has placed Shri SPS Bakshi under suspension from 20.03.2017 until further orders as per Rule 29.2 Conduct Discipline and Appeals Rules, 1999 of EPIL. Since then Shri Bakshi has been placed under suspension by DHI and DHI vide order dated 14.06.2018 has communicated extension of suspension period for period of three months w.e.f. 15.06.2018.

After the Closure of the financial year 2017-18, following changes took place:

1. Pursuant to order no. 12-16/2/2017- TSW(Pt.) dated 29.06.2018 and relinquishment letter dated 30.06.2018, Shri Vinoo Gopal, Director (Projects) relinquished from the Directorship of EPI w.e.f. 30.06.2018(A/N) consequent upon his superannuated on 30.06.2018.
2. Pursuant to order no. 12-16/2/2017- TSW(Pt.) dated 29.06.2018, the additional charge of post of Director (Projects) has been entrusted to Shri N.Sivanand, Joint Secretary, DHI & CMD(A/C), EPI w.e.f. 01.07.2018 on superannuation of Shri Vinoo Gopal, Director (Projects) on 30.06.2018(A/N) for a period of 3 months or till the appointment of regular incumbent or until further orders, whichever is the earliest.
3. Vide letter dated 07.08.2018, Shri Siya Sharan, has relinquished from the Directorship of Engineering Projects (India) Ltd w.e.f. 07.08.2018. DHI vide order No. 16/7/2015-TSW dated 23.08.2018, has appointed Smt. Neelam S. Kumar, Chief Controller of Accounts (CCA), Ministry of Industry, as Part Time Official Director on the Board of EPI vice Shri Siya Sharan.



(C) Board Procedure

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

(D) Number of Board Meetings:

During the year 2017-18, Nine (9) 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.	06.04.2017	6	6
2.	25.04.2017	6	5
3.	17.05.2017	6	6
4.	25.07.2017	7	7
5.	04.09.2017	7	7
6.	13.10.2017	7	5
7.	05.01.2018	7	6
8.	17.01.2018	7	7
9.	28.03.2018	7	6

(E) Meeting of Independent Directors

During the financial year 2017-18, Company's Independent Directors met on 28th March 2018 at EPI's Corporate Office, New Delhi- 110003 (without the attendance of functional Directors, Government Directors or members of the management) in compliance to Schedule IV of Companies Act, 2013- Code for Independent Directors.

(F) Brief Resume of the Directors on the Board on the date of this report including those who joined the Board 2017-18:

i) Shri N. Sivanand, Joint Secretary, DHI & Chairman & Managing Director (A/C) & Director (Projects) (A/C)

Shri N. Sivanand has been entrusted additional charge of the post of CMD, Engineering Projects



India Ltd. w.e.f. 15th June, 2017. He has also been entrusted additional charge of post of Director (Projects) w.e.f. 1st July 2018. Shri N. Sivanand is an officer belonging to 1985 batch of Indian Ordnance Factories Service (IOFS), and serving presently as Joint Secretary, in the Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises. He is an alumnus of Jawaharlal Nehru Technological University, Hyderabad. He has more than 30 years of experience in the Govt. of India. He is an officer with Mechanical Engineering background and worked in Ordnance Factories, associated with the production of armoured vehicles and ammunition. He has experience in various related fields viz, production, provisioning, quality etc. at different levels.

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

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

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

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

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

Shri Vishvajit Sahay has been appointed as Part-time official Director of EPI as nominee of Govt. of India with effect from 03.11.2016. Shri Vishvajit Sahay is an officer belonging to the 1990 batch of Indian Defence Accounts Service (IDAS) and serving presently as Joint Secretary in the Department of Heavy Industry (DHI), Ministry of Heavy Industries & Public Enterprises. He is an alumnus of the prestigious St. Stephens College, Delhi. He has 25 years of diverse experience in the Government of India ranging from Security Sector to Entertainment Sector to Industrial Development. As Joint Secretary in DHI, he handles the Heavy Engineering and Machine Tools Sector, apart from being on the Board of Directors of several CPSE's under DHI. He had held additional charge of the post



of Chairman and Managing Director, Heavy Engineering Corporation Limited, Ranchi, a critical player in the Capital Goods Sector and also held additional charge of the post of Chief Executive Officer in the National Automotive Testing and R&D Infrastructure Project (NATRiP) a project, which when fully implemented will provide a major fillip to the Auto Sector. He has Steered the drafting, stakeholder consultation, approval and promulgation of the first ever National Policy for the Capital Goods Sector under the 'Make in India' programme of the Government. He had earlier served in the Acquisition Wing, Ministry of Defence at a senior level and handled the procurement process for modernization of the weapons and equipment of the Indian Army. He was the Nodal Officer from the Indian side for financial management of the Foreign Military Sales(FMS) Programme of the US Government with the Government of India. He also served in the Ministry of Information & Broadcasting dealing with the film industry and various film export and marketing initiatives. He has an experience of negotiations on Government to Government basis on film co-production agreements with countries such as Italy, Britain, China and Canada. He has also handled sensitive issues such as certification of films for public exhibitions, exhibition of films in film festivals and through the broadcast media. He has been a part of Inter-Government negotiations on matters pertaining to the Audio Visual Sector in General Agreement in Trade in Services (GATS).

iv) **Shri Sushant Baliga, Independent Director**

Shri Sushant Baliga joined EPI as an Independent Director with effect from 18.11.2015. Shri Baliga is a B.Tech from IIT Madras (1972), M.Tech from IIT Delhi (1975), MBA from Faculty of Management Sciences, University of Delhi (2006). He holds a certificate on Earthquake Engineering from International Institute of Earthquake Engineering and Seismology from University of Tsukuba, Japan (1980). After graduation, he was employed with Rodio-Hazarat (now AFCONS) for a year on construction of Marmugoa Barge Berths, Goa. He joined the Central PWD through Engineering Services Examination (1974) as Assistant Executive Engineer Class I. During his service, he has worked in various capacities ranging from Design Offices to Zonal Head (Chief Engineer in charge of Bihar, Jharkhand and Orissa) executing projects for a variety of clients. During this period of service, he was also deployed on deputation to various organisations i.e. National Buildings Construction Corporation Ltd., as Executive Director looking after, Business Development; Domestic and International, Corporate Planning, Consultancy, Designs and Project Monitoring at Corporate Level in addition to looking after projects in the South Zone; Employees State Insurance Corporation as Chief Engineer; National Rural Roads Development Agency as Director was responsible for various World Bank and ADB funded projects. He retired from Government of India in May 2011 after serving as Additional Director General, Central PWD.

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



v) **Dr. Anita Chaudhary, Independent Director**

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

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

(G) **Appointment of Directors**

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

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

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

3. **COMMITTEES OF THE BOARD**

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



i. **AUDIT COMMITTEE**

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

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

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

Notes:

- Shri Lekh Raj, Director (Finance) is permanent invitee w.e.f. 25.04.2017.
- Shri S. Sakthimani, Director (Finance), CCI and holding additional charge of Director (Finance) was permanent invitee w.e.f 30.03.2017 to 13.04.2017.
- Shri Siya Sharan was Member up to 07.08.2018.
- Shri Vishvajit Sahay, Part time Official Director is Member from 20.08.2018

During 2017-18, the Committee had four meetings on 21.06.2017, 04.09.2017, 27.12.2017 and 28.03.2018.

The attendance details are as under-

Member	No. of Meetings held during their respective tenure	No. of Meetings attended
Shri Sushant Baliga, Part-time Non Official Director- Chairman	4	4
Dr. Anita Chaudhary, Part-time Non Official Director- Member	4	4
Shri Siya Sharan, Part-time Official Director- Member	4	1

Terms of Reference of Audit Committee

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

1. The Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
3. Examination of the financial statement and the auditors' report thereon.



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



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



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

30. The Audit Committee shall review the following information:

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

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

ii. CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY COMMITTEE

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

Presently, Committee has the following members:

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

Notes:

- Shri Lekh Raj, Director (Finance) is Member from 25.04.2017
- Shri S. Sakthimani, Director (Finance), CCI and holding additional charge of Director (Finance) was member w.e.f 30.03.2017 to 13.04.2017

During 2017-18, the Committee had a meeting on 04.09.2017.



The attendance details are as under-

Member	No. of Meetings held during their respective tenure	No. of attended
Dr. Anita Chaudhary, Independent Director- Chairman	1	1
Shri Sushant Baliga, Independent Director- Member	1	1
Shri Lekh Raj, Director (Finance)- Member [@]	1	1
Shri S. Sakthimani, Additional charge of Director (Finance)- Member*	0	0

@ Member from 25.04.2017

* Member from 30.03.2017 to 13.04.2017

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

iii. REMUNERATION COMMITTEE

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

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

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

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

Notes:

- Shri Lekh Raj, Director (Finance) is permanent invitee w.e.f 25.04.2017.
- Shri S. Sakthimani, Director (Finance), CCI and holding additional charge of Director (Finance) was permanent invitee w.e.f 30.03.2017 to 13.04.2017
- Shri Siya Sharan was member up to 07.08.2018

During 2017-18, the Committee had two meetings on 25.04.2017 and 13.10.2017.



The attendance details are as under-

Member	No. of Meetings held during their respective tenure	No. of Meetings attended
Shri Sushant Baliga, Part Time Non Official Director- Chairman	2	2
Dr. Anita Chaudhary, Part Time Non Official Director- Member	2	2
Shri Vishvajit Sahay, Part Time Official Director- Member	2	1
Shri Siya Sharan, Part Time Official Director- Member	2	0

4. OTHER COMMITTEES

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

SHARE TRANSFER COMMITTEE

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

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

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

The shareholding pattern of the Company as on 31st March 2018 is as under:

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



RISK MANAGEMENT

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

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

Risk Management Committee

Risk Management Committee consist of two tier structure i.e. 5 member Corporate Level Committee who shall directly be controlled, supervised and guided by Director (Projects) and 4 Regional level Committee comprising Heads of Regions, who shall be responsible for reporting at Regional/Site level on regular basis to the Corporate Level Committee.

5. SUBSIDIARY COMPANY AND JOINT VENTURE

Subsidiary Company:

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

The 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 to closure of EPIUIDL. However the closure through voluntary liquidation was not approved by BUIDPL in 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.

During the year, the expenditure incurred by the Subsidiary Company is mentioned in notes to accounts. During the financial year 2016-17, 100% provision has been made against the investment of Rs. 5,10,000/- in the Subsidiary Company. Since EPIUIDL is non operative and Board of EPIUIDL is not active, the Financial Statements could not be approved and presented to CAG appointed Statutory Auditors. Hence the Financial Statements for the year ended 31.3.2018 could not be audited and hence Auditors remuneration for the year 2017-18 has not been provided for.



Associates : Joint Venture

A Joint Venture “ EPI-C&C JV” (Unincorporated) was formed on 2nd August 2017 between Engineering Projects (India) Limited and C&C Construction Limited for Construction of Two Lane Road on NH specification from Paletwa to India – Myanmar Border (Zorinpui) from Km 0.00 to KM 109.20 on EPC mode in Chin State of Myanmar having participating interest of 60% for C&C Construction Ltd. and 40% for Engineering Projects (India) Ltd. C&C Construction Ltd. will act as lead partner of JV. Details of transactions made have been incorporated in the financial statements annexed to the Directors’ report.

6. DISCLOSURES

i) **Details of the remuneration paid to the functional Directors and sitting fees paid to Independent Directors during the year 2017-18 are as under:**

A: Functional/Whole-time Directors:

(In Rs)

Name of Directors	Salary	Benefits	Performance Linked Incentives	Total
Shri. S. P. S. Bakshi, Chairman-cum-Managing Director *	23,33,315	NIL	NIL	23,33,315
Shri Lekh Raj, Director (Finance) (w.e.f 13.04.2017) **	28,69,216	1,90,415	NIL	30,59,631
Shri. Vinoo Gopal, Director (Projects)	33,67,308	1,85,322	5,96,022	41,48,652

*under suspension w.e.f. 20.03.2017. The above includes payment of subsistence Allowance.

**The Liability of Rs. 4,04,435 against the outstanding loans/advances taken by Shri Lekh Raj, Director (Finance) from NTPC (Shri Lekh Raj has lien with NTPC) has been transferred to EPI against which Rs. 2,30,000 has been recovered from his salary during 2017-18. Balance amount to be recovered is Rs. 1,74,435 as on 31.03.2018.

B: Independent Director:

(In. Rs)

Name of Director	Sitting Fees		Fee for Independent Directors’ meeting*	Total
	Board Meeting	Committee Meeting		
Shri Sushant Baliga	1,35,000	70,000	15,000	2,20,000
Dr. Anita Chaudhary	1,35,000	70,000	15,000	2,20,000

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



- ii) All the directors are appointed by the Government of India in fixed pay scales. Accordingly, CMD is appointed in the revised schedule “B” scale of pay of Rs. 75,000- 90,000 (IDA) and all other whole time director are appointed in the revised schedule “B” scale of pay of Rs, 65,000- 75,000/- (IDA). Their other terms and conditions of appointment are also fixed by the Government of India Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry.
- iii) Apart from the remuneration to directors as per the terms and conditions of their appointment and entitled sitting fee to part-time (non-official) directors, none of the directors has any material or pecuniary relationship with the Company which can affect their independence of judgment.
- iv) During the year, there were no materially significant related party transactions that might have potential conflict with the interest of the Company at large. Details of the Related Party Transaction as per Accounting Standard 18 form part of the Notes to the Accounts.
- v) The Statutory Compliance Report received from various departments together with the status of the statutory dues is placed before the Board.
- vi) There has been no instance of any penalty or strictures imposed by any statutory body except sales tax matter which is under appeal before appellate authority.
- vii) The Company is complying with all the requirements of the Guidelines on Corporate Governance for CPSEs issued by the DPE.
- viii) During the year, Presidential Directives have been followed.
- ix) During the year, no expenditure is debited to the books and accounts which are not for the purpose of business and no expenses which are of personal nature have been incurred for the Board of Directors and Top Management.
- x) Fraud Prevention Policy is in place in the Company since September 2010 for prevention, detection, and reporting of fraud.
- xi) Other expenses including Administrative and financial expenses as a percentage of total expenses has been 2.02% as compared to 2.61% in 2016-17. Financial expenses as a percentage of total expenses has been 0.30% as compared to 0.37% in 2016-17. In spite of almost same Turnover as that of previous year, the Company has been able to reduce other expenses and financial expenses as compared to previous year.
- xii) A certificate by chief executive officer/chief financial officer of the Company with respect to the financial statements of the company is placed as **AnnexureB1**.
- xiii) Website of the company (www.engineeringprojects.com) displays the official news release of the company like Annual Report, tenders, and career opportunities etc.



7. GENERAL BODY MEETINGS:

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

AGM	Financial Year	Date and Time of AGM	Location (Registered Office)
47 th	2016-17	September 28 th , 2017 at 11:30 A.M. (Adjourned on September 28 th , 2017 at 05:45 P.M.)	Core-3, SCOPE Complex, (4 th Floor), 7 Lodhi Road, New Delhi-110003
46 th	2015-16	September 30 th , 2016 at 11:30 A.M.	Core-3, SCOPE Complex, (4 th Floor), 7 Lodhi Road, New Delhi-110003
45 th	2014-15	September 29 th , 2015 at 3:00 P.M.	Core-3, SCOPE Complex, (4 th Floor), 7 Lodhi Road, New Delhi-110003

Notice of 48th Annual General Meeting for the financial year 2017-18 contains details about day, date, time, venue of the AGM along with route map.

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

AGM	Financial Year	Details of Special Resolution passed
47 th	2016-17	Closure of EPI's Subsidiary Company (and its branch) i.e. EPI Urban Infra Developers Limited (EPIUIDL) through voluntary liquidation/voluntary winding
46 th	2015-16	Amendment in Memorandum of Association
45 th	2014-15	NIL

8. RIGHT TO INFORMATION

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

Information has been provided as per provisions of RTI Act, 2005 in response to 76 applications / requests received during the year under report.

The details of RTI applications received and disposed off during the year 2017-18 are as under :

1	No. of RTI application pending as on 01 st April, 2017.	0
2	No. of RTI application received during the year 2017-18.	76
3	No. of RTI application disposed-off during the year 2017-18	76
4	No. of RTI application pending on 31 st March 2018.	0



9. MEANS OF COMMUNICATION WITH SHAREHOLDERS

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

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

10. AUDIT QUALIFICATIONS

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

11. TRAINING OF BOARD OF DIRECTORS

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

12. WHISTLE BLOWER POLICY

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

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

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

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

13. CODE OF CONDUCT

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



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

14. COMPLIANCE CERTIFICATE

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



Annexure B1

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

We have reviewed the financial statements and the cash flow statement of Engineering Projects (India) Limited for the year ended 31st March, 2018 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 2017-18 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 2017-18;
 - b) Significant changes in accounting policies during the year 2017-18 and the same have been disclosed in the notes to the financial statements, if any; and
 - c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
(Lekh Raj)
Director (Finance) &
Chief Financial Officer

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

Place: New Delhi
Date: 29th August 2018



Annexure B2

DECLARATION BY CHAIRMAN & MANAGING DIRECTOR (A/C) REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2017-18.

I, N. Sivanand, Joint Secretary, DHI and Chairman & Managing Director (A/C), Engineering Projects (India) Limited, do hereby declare that all the Members of the Board of Directors and the Senior Management Team of the Company (except cases under suspension) have affirmed their compliance of the Code of Business Conduct and Ethics of the Company during 2017-18.

Sd/-

(N.Sivanand)

Chairman & Managing Director (A/C)

DIN: 07852689

Place: New Delhi

Date: 29th August 2018



CORPORATE GOVERNANCE CERTIFICATE

To

The Members,

Engineering Projects India United, .

Core 3, Scope Complex 7,

Institutional Area, Lodhi Road,

Delhi-110003

We have examined the compliance of the conditions of Corporate Governance by **Engineering Projects India Limited**, (hereinafter referred as **'the Company'**) for the year ended on **31st March, 2018** as stipulated in 'Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010' vide Notification No. 1 No. 18(8)/2005-GM originally issued on 22.06.2007 and revised guidelines issued vide office memorandum time to time by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India and annexure mentioned there under (hereinafter referred as **'Guidelines'**).

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

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

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

Place: New Delhi

Date: 13/07/2018

For **AGB & Associates**

Company Secretaries

Sd/-

FCS Nitin Rawat

(Partner)

C.P. No. 10554



CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY REPORT

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

CSR Vision

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

CSR Objective

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

Activities during 2017-18

During the year NIL budget have been allocated therefore no new activities were undertaken. However expenditure was incurred towards the activities undertaken/completed in the previous years and was paid during 2017-18. However no new activities were undertaken during the year.

PLAN FOR 2018-19

Budget

2% of the average net profit for the immediately preceding three financial years (i.e. Rs. 105.77 Lakhs [2015-16], Rs. 108.48 Lakhs [2016-17] and Rs. (4032.33) Lakhs [2017-18] excluding profits from foreign branches) is NIL. Due to the non availability of Profits (computed in accordance with the provision of Section 198 of the Companies Act 2013), the budget for the year 2018-19 is NIL. However an amount of Rs. 0.33 Lakhs carried forward from previous years is kept for utilization for future activities.

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



THE ANNUAL REPORT ON CSR ACTIVITIES

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

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

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

2. The Composition of the CSR Committee:

In line with the provisions of Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014, EPI has a Board level Corporate Social Responsibility (CSR) and Sustainability Committee headed by an Independent Director.

Role of Board Level Committee is to-

- (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) monitor the Corporate Social Responsibility Policy of the company from time to time.

Presently, CSR and Sustainability Committee have the following members:

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

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

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

The Average net profit of the company for last three financial years was Rs. (174.16) Lakhs (i.e. average of Rs. (736.73) Lakhs for 2014-15 and Rs. 105.77 for 2015-16 and Rs. 108.48 for 2016-17 excluding profits from foreign branches) for CSR budget for the year 2017-18.

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

Prescribed CSR Expenditure for the year 2017-18 was Rs. (3.48) Lakhs i.e. 2% of Rs. (174.16) Lakhs.



5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year 2017-18-

Total budget for the year 2017-18 is Nil. However out of the carried forward amount of Rs. 1.81 lakhs from previous years, an amount of Rs. 0.48 Lakhs was spent during the year against the previous year activities.

(b) Amount unspent, if any;

An amount of Rs. 0.95 lakhs towards activity detailed below (Point 5 (c) (1) is yet to be claimed. The resultant unspent balance of Rs. 0.33 Lakhs approx. available at the end of March 2018 will be carried forward for utilization in future activities.

(c) Manner in which the amount spent during the financial year is detailed below (being amount paid against the budgets of previous years activities)-

(Rs. In Lakhs)

S. No	CSR project or activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1. Direct expenditure on projects or programs. 2. Overheads:	Cumulative expenditure upto to the reporting period. (Including expenditure incurred in previous years)	Amount spent: Direct or through implementing agency
1.	Construction of one classroom at a new campus of Bhaktivedanta Gurukula and International School (BGIS)	Clause1 (ii) of Schedule VII	Ajhai, Mathura	-	Nil [@]	8.55 [@]	By signing agreement with International Society for Krishna Consciousness (ISKCON) and BGIS
2.	Maintenance of 10 no. toilets constructed under Swachh Vidyalaya Campaign	Clause1 (i) of Schedule VII	Dhubri & Barpeta of Assam	*	0.28	1.616 [#]	Direct by school authorities
3.	To provide- (a) RO Plant (b) Solar Lights	Clause 1 (i) & (iv) of Schedule VII	Pilibhit, Uttar Pradesh	*	0.20 NIL	4.55 2.27	Direct by engaging contractors
	TOTAL				0.48		

* Activities awarded in previous years i.e. 2016-17, 2015-16 which were completed /payments released in 2017-18

[@] Final installment of Rs. 0.95 lakhs is yet to be claimed

[#] This activity was awarded in 2015-16. The cumulative payments of Rs. 1.616 Lakhs have been released against the budgets of over previous 03 years i.e. Rs.0.276 Lakhs in 2015-16, Rs. 1.06 Lakhs in 2016-17 and Rs. 0.28 Lakhs in 2017-18.



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

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

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

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

Sd/-

(Shri Lekh Raj)

Director (Finance) & Member- CSR Committee

Sd/-

(Dr. Anita Chaudhary)

(Chairman- CSR Committee)

Date: 24th August 2018

Place: New Delhi

**FORM NO. AOC -2**

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

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

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

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

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

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

For and on behalf of the Board

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

Place: New Delhi
Date: 29th August 2018



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

as on the financial year ended on 31st March 2018

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

I. REGISTRATION AND OTHER DETAILS:

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

Name: **MCS Share Transfer Agent Limited**

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

Contact No.: **41406149-52**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service*	% to total turnover of the company
1.	Construction of Buildings	410	37%
2.	Construction of other civil engineering projects	429	58%

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

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

S. N.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	EPI Urban Infra Developer Limited* Core-3, Scope Complex, 7 Lodhi Road, New Delhi-110003	U45309DL2016GOI299995	Subsidiary Company	51%	2(87)

* EPI has decided for closure of EPIUIDL/exit from EPIUIDL



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

i) Category-wise Share Holding

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



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

(ii) Shareholding of Promoters

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



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

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

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

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



(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<u>At the beginning of the year</u> Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc.):				
1.	Shri SPS Bakshi, Chairman-cum-Managing Director (under suspension w.e.f. 20.03.2017) <u>Beginning of the year</u> <u>End of the year</u>	Nil Nil	Nil Nil	Nil Nil	Nil Nil
2.	Shri N. Sivanand, Additional charge of Chairman & Managing Director (w.e.f. 15.06.2017) and additional charge of Director (Projects) w.e.f. 01.07.2018 <u>Beginning of the year</u> <u>End of the year</u>	Nil Nil	Nil Nil	Nil Nil	Nil Nil
3.	Shri Vinoo Gopal, Director (Projects) (ceased w.e.f. 30.06.2018(A/N)) <u>Beginning of the year</u> <u>End of the year</u>	Nil Nil	Nil Nil	Nil Nil	Nil Nil
4.	Shri S. Sakthimani, Director (Finance) (w.e.f. on 29.03.2017-13.04.17) <u>Beginning of the year</u> <u>End of the year</u>	Nil Nil	Nil Nil	Nil Nil	Nil Nil
5.	Shri Lekh Raj, Director (Finance) (appointed w.e.f. 13.04.2017) <u>Beginning of the year</u> <u>End of the year</u>	Nil Nil	Nil Nil	Nil Nil	Nil Nil
6.	Shri Vishvajit Sahay, Govt. Nominee Director <u>Beginning of the year</u> <u>End of the year</u>	Nil Nil	Nil Nil	Nil Nil	Nil Nil
7.	Shri Siya Sharan, Govt. Nominee Director (relinquished w.e.f. 07.08.2018) <u>Beginning of the year</u> <u>End of the year</u>	Nil Nil	Nil Nil	Nil Nil	Nil Nil
8.	Shri Sushant Baliga, Independent Director <u>Beginning of the year</u> <u>End of the year</u>	Nil Nil	Nil Nil	Nil Nil	Nil Nil
9.	Dr. Anita Chaudhary , Independent Director <u>Beginning of the year</u> <u>End of the year</u>	Nil Nil	Nil Nil	Nil Nil	Nil Nil
10.	Smt. Sudha V. Varadhan, Company Secretary <u>Beginning of the year</u> <u>End of the year</u>	Nil Nil	Nil Nil	Nil Nil	Nil Nil



V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		CMD [CEO]	Shri Vinoo Gopal Director (Projects)	Shri Lekh Raj Director (Finance) (CFO)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14,66,281	31,90,180	26,47,983	73,04,444
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,35,453	6,02,885	2,21,645	9,59,983
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission				
	- as % of profit	0	0	0	0
	- Others, specify...	0	0	0	0
5	Others- Contribution to Statutory Funds & other reimbursements etc.	0	0	0	0
	Total (A)	16,01,734	37,93,065	28,69,628	82,64,427
	Ceiling as per the Act	Not applicable as section 197 of Companies Act, 2013 shall not apply to Government Companies in terms of the Ministry of Corporate Affairs notification dated 5 th June 2015.			

* Under suspension w.e.f. 20.03.2017 and payment includes subsistence allowance. Shri N.Sivanand, Joint Secretary, DHI is holding the additional charge of post of Chairman & Managing Director (CMD) w.e.f. 15.06.2017 and no Salary or allowances have been paid to him.



B. Remuneration to other directors:

Sl.No.	Particulars of Remuneration	Name of Directors		Total Amount
		Shri Sushant Baliga	Smt. Anita Chaudhary	
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	2,20,000	2,20,000	4,40,000
	Total (1)			
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	NIL	NIL	NIL
	Total (2)	-	-	
	Total (B)=(1+2)			
	Total Managerial Remuneration			
	Overall Ceiling as per the Act	Not applicable as section 197 of Companies Act, 2013 shall not apply to Government Companies in terms of the Ministry of Corporate Affairs notification dated 5 th June 2015.		

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

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	20,04,612	0	20,04,612
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission - - as % of profit - Others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	0	20,04,612	0	20,04,612



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

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

Place: New Delhi
 Date: 29th August 2018



SECRETARIAL AUDIT REPORT

Form No. MR-3

(For the Financial year ended on 31st March 2018)

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

To

The Members

ENGINEERING PROJECTS (INDIA) LIMITED

CIN: U27109DL1970GOI 117585

Core -3, Scope Complex. 7 Lodhi Road

New Delhi- 110003

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ENGINEERING PROJECTS (INDIA) LIMITED** (hereinafter called “**The Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/Statutory compliances and expressing our opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we do hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **ENGINEERING PROJECTS (INDIA) LIMITED** (“**The Company**”) for the period ended on March 2018 according to the provisions of:

- (i) The Companies Act 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities Exchange Board of India, Act, 1992, (‘SEBI Act’):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;



- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations. 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines. 1999/Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) Following laws and the rules made thereunder have been identified as specifically applicable to the company by the Management:
- (a) Department of Public Enterprises Guidelines are issued by Ministry of Heavy Industries and public Enterprises dated 14th May 2010.
 - (b) Income Tax Act, 1961
 - (c) Goods And Service Act. 2017
 - (d) Service Tax law
 - (e) VAT/Central Sales Tax Act/WCT
 - (f) Information Technology Act, 2000 and the rules made thereunder
 - (g) Foreign Exchange Management Act. 1999
 - (h) The Environment (Protection) Act, 1986
 - (i) The Water (Prevention and Control of Pollution) Act, 1974
 - (j) The Air (Prevention and Control of Pollution) Act, 1981
 - (k) Indian Stamp Act 1999
 - (l) Right to Information Act, 2005
 - (m) Other Labour Laws and Rules made thereunder:
 - Construction workers (Regulation of Employment and Condition of Service) Act, 1996
 - Commercial Shops and Establishment Act
 - Contract Labour (Regulation and Abolition) Act, 1970
 - Workmen Compensation Act, 1923
 - Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - Employees State Insurance Act, 1948
 - Equal Remuneration Act, 1976
 - Maternity Benefits Act, 1961



- Minimum Wages Act, 1948
- Payment of Gratuity Act, 1972
- Payment of Wages Act, 1936
- Payment of Bonus Act, 1965
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

- (a) The Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the Central Government with respect to Board and General Meeting has been complied by the company without any material non-compliance.
- (b) No Listing Agreement was entered into by the Company with any of the stock exchange(s) as the company is not listed with any stock exchange and therefore no observation in respect of compliance is required;

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

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

We further report that:

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

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



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

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

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

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

1. It has been informed to us that disinvestment process of “The Company” through merger with similarly placed CPSE is going on in compliance of the decision of Cabinet Committee on Economic Affairs (CCEA) in its Meeting held on 17th February 2016.
2. It has been further informed that “EPI Urban Infra Developers Limited (EPIUIDL-CIN: U45309DL2016GOI299995), which was incorporated as Subsidiary Company of EPI on 19th May 2016 with 51% holding by “The Company” is still non-operational. The proposal for voluntary liquidation was declined by one of the shareholders (with 39% shareholding), Subsequently, Efforts of EPI’s exit through “Invitation to Offer” of EPI’s 51% shares to remaining two shareholders holding 49% shares could not succeed. EPI’s Board has decided to approach the concerned authorities for other options of closure/exit.
3. According to the information and explanations given to us. CBI has registered a case and filed FIR against some employees including CMD of “The Company”. The case is in respect of alleged illegal gratification taken by the above accused of “The Company” to award a tender in favour of a particular party and these employees are under suspension. The director under suspension is not getting involved in day to day affairs of the company in terms of orders of Department of Heavy Industries. Ministry of Heavy Industries & Public Enterprises. Further as explained to us “The Company” is not named as party in the FIR and no financial impact on its financial statement is envisaged.

**For Vishal Agarwal & Associates
Company Secretaries**

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

Place: New Delhi

Date : 23.08.2018

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



“Annexure-A”

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

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

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

**For Vishal Agarwal & Associates
Company Secretaries**

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

Place: New Delhi
Date : 23.08.2018



INDEPENDENT AUDITOR'S REPORT

To The Members of

Engineering Projects (India) Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Engineering Projects (India) Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss, Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended, which includes the audited financial statements of Six Regions i.e.. Western Region, Eastern Region, Southern Region, Northern Region and overseas regions of Oman and Sri Lanka audited by the other auditors and Corporate Office, Jaipur and Alwar office is audited by us.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the



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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other Auditors on financial statement of the regions, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018, and its Profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters

1. In Northern Region, trade receivable unsecured considered good includes outstanding dues from Government departments, PSU and other clients amounting to Rs. 1830.17 lakhs (Refer Note no-2.11) in respect of closed project, which are outstanding for more than three years, includes an amount of Rs. 1507.89 lakhs under litigation/arbitration/corporate insolvency.

Further, in view of the claims of EPI upon UB Engineering Ltd under consideration by the liquidator as per Hon'ble NCLT, a provision of Rs.12 Crores has been made till 31st March 2018 including the Provision of Rs.4 Crores made during the year against the outstanding dues of Rs.16 Crores (Net of Payable) as at 31st March 2018.(Refer Note No.-2.35).

In view of the Management, the balance outstanding has been considered as good and recoverable.

2. Attention is drawn to Accounting Policy No-1.10 on "Provision for Doubtful Debts/Loans and Advances"-Provision against Doubtful Debts/Loans and Advances for Net Receivable amount on project basis is made in case the dues are outstanding for more than 10 Years based on the previous experience/progress/assessment of the matter by the management.
3. Balances of Trade receivables, loans & advances, client's advances, retention money, security deposit, Trade payables and other parties are subject to confirmation/ reconciliation. As explained to us, the company is mainly dealing with the government parties. In our opinion, process of getting confirmation needs to be strengthened. (Refer Note No-2.42)
4. Attention is invited to Note No-2.7, the company has created a provision of Rs.3,68,03,797 (Previous Year Rs.1,75,00,000) on account of Pay Revision (3rd PRC) on estimated basis and the approval of administrative ministry is awaited in this respect.



5. Attention is invited to Note No-2.10 regarding the carried forward excess amount of Rs. 5,19,41,323 towards the foreign taxes paid over the Indian Tax Liability. As explained to us, since the assessment of F.Y.-2017-18 is yet to start hence the necessary adjustments in the books of account shall be made accordingly as and when the assessment is completed.
6. Attention is invited to Note No-2.40 which describes that Central Bureau of Investigation (CBI) has registered 3 cases and filed FIRs against some of the employees in respect of alleged illegal gratification taken by the accused employees for award of tenders. Investigation is still going on.
Our opinion is not qualified in respect of the above matters

Other Matters

We did not audit the financial statements/information of 6 (Six) regional offices included in the standalone financial statements of the Company whose financial statements/ financial information reflect Total assets of Rs.1703.58 Crore (Previous Year 1,896.64 Crore), Total liabilities of Rs.1652.18 Crore (Previous Year 1,623.31 Crore) as at 31st March, 2018 and Total revenues of Rs.1621.34 Crore (Previous Year 1658.75 Crore) for the year ended on that date, as considered in the standalone financial statements. The financial statements/ information of these regional offices have been audited by the other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Further, Standalone Financial Statements of the Company for the Year ended 31st March, 2017 were audited by another auditor who expressed an unmodified opinion on those statements on 4th September, 2017.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of Section 143 of the Act, the compliances of which is set out in "**Annexure B**".
3. As required by section 143(3) of the Act based on our audit and on the consideration of report of other auditors on separate financial statement, as noted in the 'other matter paragraph' we report to the extent applicable that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit .
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) the reports on the accounts of the regional offices of the Company audited under Section 143 (8) of the Act by other auditors have been sent to us and have been properly dealt



- with by us in preparing this report;
- (d) the balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (e) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (f) in terms of Notification No. G.S.R. No. 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164(2) of the Act regarding disqualification of directors, are not applicable to the Company.
 - (g) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, Regional / branch auditors have submitted their separate report. We have consolidated the separate report based on the feedback received from regional / branch auditors in “Annexure-C” and
 - (h) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations as at March 31 2018 on its financial position in its financial statements- Refer Note No-2.25 to the financial statements;
 - ii. the Company has made provision, as required under the applicable **law** or accounting standard, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For K.G.Somani & Co.
Chartered Accountants
Firm’s Regn. No: 06591N

Sd/-
(CA Bhuvnesh Maheshwari)
Partner
M.No: 088155

Place: New Delhi
Date: 24th August 2018



Annexure A to the Independent Auditors' Report

The Annexure referred in the Independent Auditors' Report to the member of the Company on the standalone financial statement for the year ended 31st March 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items once in a year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except as follows:

Description of Assets	No. of Cases	Area (in Sq.ft)	Gross Block as on 31.03.2018 (in Rs.)	Net Block as on 31.03.2018 (in Rs.)
Building Leasehold	1	61,066	6,36,11,348	4,11,51,257

- (ii) (a) As informed to us, the management has conducted physical verification of Inventory at reasonable intervals during the year. Inventory of the company comprises of construction work in progress and stock of material.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper quantitative records of its inventory and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanation given to us the Company has not granted any loans secured or unsecured to companies, firms, limited liability partnership or other parties covered in register maintained under section 189 of Companies Act, 2013. Accordingly, provisions of clauses 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us the Company has not made any loans, investments, guarantee, and security in terms of Section 185 and 186 of Companies Act, 2013..
- (v) In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public.
- (vi) As per the information and explanations given to us, the company is maintaining cost records and



these are subject to Cost Audit in pursuant to rule 6(4) of the Companies (Cost Records and Audit) Rules, 2014. Cost Auditor appointed by the Company has submitted the Cost Audit report for the year ended 31st March 2018 on 24th August 2018. We have broadly reviewed the cost records maintained by the Company and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.

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

a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income-tax, Sales tax, Service Tax, value added tax, duty of customs, service tax, Goods & Services Tax and any other statutory dues, as applicable with the appropriate authorities. According to the information & explanations given to us there were no undisputed amount payable in respect of above statutory dues outstanding on 31st March 2018 for a period of more than 6 months from the date they become payable.

b) As at 31st March 2018, the following are the particulars of dues on account of Sales Tax, Service Tax, and Value Added Tax matters that have not been deposited on account of any dispute:

Sl. No.	Name of Region	Name of Statute	Nature of Dues	Amount (Rs.)	Period to which it relates	Forum where dispute is pending
1	EASTERN REGIONAL OFFICE, KOLKATA	West Bengal Value Added VAT Act 2003	VAT	9,43,02,345	2011-12	West Bengal Commercial Taxes appellate & Revisional Board, Kolkata
2	EASTERN REGIONAL OFFICE, KOLKATA	West Bengal Value Added VAT Act 2003	VAT	10,30,28,642	2013-14	West Bengal Taxation Tribunal, Kolkata
3	EASTERN REGIONAL OFFICE, KOLKATA	West Bengal Value Added VAT Act 2003	VAT	4,15,40,657	2012-13	Senior Joint Commissioner (1st Appeal) West Bengal Commercial Tax, Kolkata
4	EASTERN REGIONAL OFFICE, KOLKATA	West Bengal Value Added VAT Act 2003	VAT	2,25,08,293	2005-06	West Bengal Commercial Taxes appellate & Revisional Board, Kolkata
5	EASTERN REGIONAL OFFICE, KOLKATA	West Bengal Value Added VAT Act 2003	VAT	11,61,775	2007-08	West Bengal Commercial Taxes appellate & Revisional Board, Kolkata
6	EASTERN REGIONAL OFFICE, KOLKATA	West Bengal Value Added VAT Act 2003	VAT	19,13,545	2009-10	Special Commissioner, West Bengal Commercial Tax, Kolkata
7	EASTERN REGIONAL OFFICE, KOLKATA	West Bengal Value Added VAT Act 2003	VAT	1,69,25,124	2014-15	Demand Received as assessment for the relevant year started.



8	EASTERN REGIONAL OFFICE	West Bengal Value Added VAT Act 2003	VAT	3,67,34,392	2015-16	Demand Received as assessment for the relevant year started.
9	EASTERN REGIONAL OFFICE, KOLKATA	Service Tax	Service Tax /Penalty	4,18,63,946	2005-06 to 2007-08	The CESTAT, Kolkata
10	EASTERN REGIONAL OFFICE, KOLKATA	Service Tax	Service Tax /Penalty	37,46,050	2010-11 to 2012-13	The CESTAT, Kolkata
11	EASTERN REGIONAL OFFICE, KOLKATA	Service Tax	Service Tax /Penalty	75,09,137	2011-12 to 2015-16	Service Tax Audit
12	EASTERN REGIONAL OFFICE, KOLKATA	Service Tax	Service Tax /Penalty	36,17,680	2004-05, 2005-06	Office of the Commissioner of the Central Excise, Morello Compound - Shillong
13	SOUTHERN REGIONAL OFFICE, CHENNAI	Andhra Pradesh Value Added Tax Act	Demand	44,48,905	2008-09 & 2009-10	High Court of Andhra Pradesh, Hyderabad
14	NORTHERN REGIONAL OFFICE, NEW DELHI	UP Trade Tax Act, 1948	Demand	8,72,500	1993-94	Sales Tax Tribunal
14	NORTHERN REGIONAL OFFICE, NEW DELHI	Service Tax	Service Tax /Penalty	9,83,80,264	2004-05 to 2007-08	Delhi High Court
		Total		47,85,53,255		

- (viii) Based on our audit procedures and according to the information and explanations given to us by the management, the company has not defaulted in repayment of loans & borrowings to any financial institution, bank, government and dues to debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, Central Bureau of Investigation (CBI) has registered 3 cases and filed FIR against some employees of EPI out of which 2 cases have been registered during the year 2017-18 and 1 case in F.Y. 2016-17. The cases are in respect of alleged illegal gratification taken by the accused employees of EPI for award of tenders. EPI is not named as party in the FIRs and no financial impact on its financial statements is envisaged. Investigation in all three cases is still going on.(Refer Note No.-2.40)
- (xi) In view of the exemption given in terms of Notification No. G.S.R. No. 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 read with schedule V to the Companies Act, 2013 regarding managerial remuneration are not applicable to the company.
- (xii) The Company is not a Nidhi company, accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanation provided to us and based on our examination of the records of the Company all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where ever applicable and the details have been disclosed



in the Financial Statements etc. as required by the accounting standards and Companies Act, 2013.

- (xiv) The Company has not made any preferential allotment /private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations provided to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For K.G.Somani & Co.
Chartered Accountants
Firm's Regn. No: 06591N

Sd/-
(CA Bhuvnesh Maheshwari)
Partner
M.No: 088155

Place: New Delhi
Date: 24th August 2018



Annexure B to the Independent Auditors' Report

On the matters referred to in Section 143 (5) of Companies Act, 2013, we report that:

S No.	Directions	Reply	Impact on Financial Statements
1.	Whether the company has clear title/ lease deeds for free hold and lease hold and respectively? If not, please state the area of free hold and lease hold land for which title/ lease deeds are not available.	<ul style="list-style-type: none"> The company has clear title / lease deed for lease hold land of Alwar property. There is no freehold land held by the company. 4. As explained to us, Corporate office in Core 3-Scope Complex, New Delhi is on lease as the company is paying annual ground rent to lessor. However, the company is holding one letter dated 24th Jan 1979 issued by Land & Development Office of Government for allotment of land. 	Nil
2	Whether there are any cases of waiver/ write off of debts/ loans/interest etc. If yes, reasons there of and amount involved.	<ul style="list-style-type: none"> As reported by the auditor of Northern Region, during the year waiver/write off of debts amounting to Rs.71,27,498 has been accounted for in the financial statements. Out of the above amount Rs. 29,46,497 has been written off and Rs. 41,81,001 as Bad debts against which provision for doubtful debts made in earlier years. These balances are written off due to chances of recovery as per the Management are very remote as the amount are pending for a long period. 	The loss is higher by Rs. 29,46,497 and Assets is reduced by Rs. 29,46,497.
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grants from government or other authorities	<ul style="list-style-type: none"> As per information & explanations given to us there is no inventory lying with third parties and no assets received as gift/ grants from Government or other authorities. 	Nil

For K.G.Somani & Co.
Chartered Accountants
Firm's Regn. No: 06591N
Sd/-

(CA Bhuvnesh Maheshwari)
Partner
M. No :088155

Place: NewDelhi
Date: 24th August 2018



Annexure —C to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Engineering Projects (India) Limited ("the Company")** as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date. In this report, we have consolidated the feedback received from regional auditors.

Management's Responsibility for Internal financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". However, we noticed that :

- a) Process of obtaining balance confirmation & balance reconciliation with the parties needs certain improvement
- b) Coverage of the tendering process in internal audit needs improvement. There are three cases registered in respect of alleged illegal gratification taken by the accused employees for award of tenders. For detail refer to Point no-6 of EOM of Independent Audit Report & Note No-2.40 to the Financial Statements.
- c) Access & Editing Rights for Books of Accounts of Projects/RO/CO is not clearly defined or documented.



- d) Process of recording of invoices in books and adjustment of advances, debit note, credit note from the running bills needs certain improvement.
- e) Back dated entries can be posted any time for the Financial Year before the conclusion of audit. SAP system needs further improvement.

For K.G.Somani & Co.
Chartered Accountants
Firm's Regn. No: 06591N

Place: NewDelhi
Date: 24th August 2018

Sd/-
(CA Bhuvnesh Maheshwari)
Partner
M. No : 088155



STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2018

(Amount in ₹)

	Particulars	Note No.	As at 31st March, 2018		As at 31st March, 2017	
I.	EQUITY AND LIABILITIES					
1	Shareholders' Funds					
	a) Share Capital	2.1	35,42,26,880		35,42,26,880	
	b) Reserves and Surplus	2.2	<u>1,95,24,56,493</u>	2,30,66,83,373	<u>1,95,11,02,597</u>	2,30,53,29,477
2	Non Current Liabilities					
	a) Other Long - Term Liabilities	2.3	4,07,40,44,815		4,69,77,27,097	
	b) Long - Term Provisions	2.4	<u>27,45,41,026</u>	4,34,85,85,841	<u>29,48,24,002</u>	4,99,25,51,099
3	Current Liabilities					
	a) Trade Payables	2.5				
	i) Due to MSME		57,61,885		-	
	ii) Due to Others		4,94,51,86,136		4,66,23,65,459	
	b) Other Current Liabilities	2.6	7,44,65,35,543		6,84,54,19,707	
	c) Short Term Provisions	2.7	<u>26,22,42,097</u>	12,65,97,25,661	16,07,57,912	11,66,85,43,078
	Total			19,31,49,94,875		18,96,64,23,654
II.	ASSETS					
1	Non current assets					
	a) Property, Plant & Equipment	2.8(i)	8,98,72,952		9,42,19,531	
	b) Intangible Assets	2.8(ii)	60,40,573		52,10,057	
	c) Deferred Tax Assets (Net)	2.9	15,88,38,339		16,90,61,296	
	d) Long Term Loans and Advances	2.10	2,55,06,82,520		3,00,98,92,076	
	e) Other Non Current Assets	2.11	<u>2,53,85,19,259</u>	5,34,39,53,643	<u>2,45,17,24,465</u>	5,73,01,07,425
2	Current assets					
	a) Current Investments	2.12	-		-	
	b) Inventories	2.13	1,87,40,308		3,96,53,089	
	c) Trade Receivables	2.14	3,61,09,91,289		3,00,20,51,310	
	d) Cash and Bank Balances	2.15	3,92,19,28,173		2,97,25,78,075	
	e) Short Term Loans and Advances	2.16	3,05,86,86,197		3,46,31,53,869	
	f) Other Current Assets	2.17	<u>3,36,06,95,265</u>	13,97,10,41,232	3,75,88,79,886	13,23,63,16,229
	Total			19,31,49,94,875		18,96,64,23,654
	Significant Accounting Policies	1				
	Notes to accounts	2.1 to 2.44				

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

As per our report of even date attached

K.G. Somani & Co.

Chartered Accountants

Firm Registration No.-06591N

Sd/-

(CA B. Maheshwari)

Partner

Membership No. 088155

Place: New Delhi

Dated: 24 August 2018

For and on behalf of the Board of Directors

Sd/-

(Lekh Raj)

Director (Finance)

DIN : 07794894

Sd/-

(N. Sivanand)

Chairman & Managing Director

(Additional Charge)

DIN : 07852689

Sd/-

(N.K. Sharma)

ED (Finance)

Sd/-

(Sudha V. Varadhan)

Company Secretary



STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

Particulars		Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
I.	Revenue From Operations	2.18	16,07,40,98,507	16,30,38,04,479
II.	Other Income	2.19	15,26,79,188	33,83,69,218
III.	Total Income (I+II)		16,22,67,77,695	16,64,21,73,697
IV.	Expenses:			
	Operating Expenses	2.20	15,01,46,94,282	15,22,78,55,700
	Employee Remuneration and Benefits	2.21	78,52,15,766	77,70,62,564
	Finance Costs	2.22	4,85,70,364	6,14,25,675
	Depreciation & Amortisation Expenses	2.8	1,54,67,875	1,43,57,953
	Other Expenses	2.23	32,67,10,361	43,07,08,201
	Total Expenses		16,19,06,58,648	16,51,14,10,093
V.	Profit before exceptional and extraordinary items and tax (III-IV)		3,61,19,047	13,07,63,604
VI.	Exceptional Items		-	-
VII.	Profit before Extraordinary Items and Tax (V-VI)		3,61,19,047	13,07,63,604
VIII.	Extraordinary Items		-	-
IX.	Prior Period Expenses (Net)	2.24	1,89,87,494	8,95,90,113
X.	Profit/(Loss) Before Tax (VII-VIII-IX)		1,71,31,553	4,11,73,491
XI.	Tax Expense			
	Current Tax	2.10	1,13,50,000	629,06,269
	MAT Credit Entitlement		(28,80,365)	-
	Deferred Tax		1,02,22,957	(5,97,17,171)
	Tax for Earlier years		(29,14,935)	1,10,38,948
XII.	Profit/ (Loss) For the Year (X-XI)		13,53,896	2,69,45,445
XIII.	Earnings Per Share (Basic & Diluted)	2.38	0.04	0.76
	Significant Accounting Policies	1		
	Notes to Accounts	2.1 to 2.44		

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

As per our report of even date attached
K.G. Somani & Co.
Chartered Accountants
Firm Registration No.-06591N

Sd/-
(CA B. Maheshwari)
Partner
Membership No. 088155
Place: New Delhi
Dated: 24 August 2018

For and on behalf of the Board of Directors

Sd/- (Lekh Raj) Director (Finance) DIN : 07794894	Sd/- (N. Sivanand) Chairman & Managing Director (Additional Charge) DIN : 07852689
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Sd/- (N.K. Sharma) ED (Finance)	Sd/- (Sudha V. Varadhan) Company Secretary
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STANDALONE-CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Cash Flow From Operating Activities		
Net Profit Before Tax	1,71,31,553	4,11,73,491
Adjustments For:		
- Depreciation And Amortization	1,54,67,875	1,43,57,953
- Loss/(Profit) On Sale Of Assets (Net)	1,09,501	24,67,767
- Interest On FDs	(1,28,72,589)	(6,54,10,713)
Effect Of Exchange Differences On Translation Of Foreign Currency		
- Cash & Cash Equivalents		
Operating Profit Before Working Capital Changes	1,98,36,340	(74,11,502)
- Decrease/(Increase) In Inventories	2,09,12,781	4,58,86,480
- Decrease/(Increase) In Unbilled Revenue	27,98,25,041	91,97,67,817
- Decrease/(Increase) In Sundry Debtors	(68,55,11,814)	(1,51,47,21,470)
- Decrease/(Increase) In FDs Under Lien	3,96,84,440	(19,51,993)
- Decrease/(Increase) In Loans & Advances	83,45,36,889	(1,78,85,85,000)
- Increase/(Decrease) In Current Liabilities & Provisions	52,46,14,619	2,35,64,58,631
Cash Generated From Operations	1,03,38,98,295	94,42,963
- Income Tax	(1,57,77,657)	(6,50,02,344)
Net Cash From Operating Activities	1,01,81,20,638	(5,55,59,381)
Cash Flows From Investing Activities		
- Purchase/Construction Of Fixed Assets	(1,21,72,954)	(16,672,583)
- Proceeds From Sale Of Assets	1,11,640	37,884
- Interest Income	(1,70,24,787)	10,69,54,280
Net Cash From Investing Activities	(2,90,86,101)	9,03,19,581
Cash Flow From Financing Activities		
- Dividend Paid	-	(10,81,54,689)
- Dividend Tax Paid	-	(2,20,17,751)
Net Cash Used In Financing Activities	-	(13,01,72,440)
Effect Of Exchange Differences On Translation Of Foreign Currency		
- Cash & Cash Equivalents		
Net (Decrease)/Increase In Cash And Cash Equivalents	98,90,34,537	(9,54,12,240)
Cash And Cash Equivalents At The Beginning Of The Year	2,90,56,33,803	3,00,10,46,043
Cash And Cash Equivalents At The End Of The Year	3,89,46,68,340	2,90,56,33,803
Reconciliation Of Cash And Cash Equivalents		
Cash In Hand (Refer Note No 2.15)	2,00,309	31,967
Cheques In Hand (Refer Note No 2.15)	-	-
Remittance In Transit	-	-
Balance With Bank's In Current Accounts (Refer Note No 2.15)	99,00,57,946	50,90,14,314
Balance With Bank's Fixed Deposits (Refer Note No 2.15)	2,90,44,10,085	2,39,65,87,522
Cash And Cash Equivalent	3,89,46,68,340	2,90,56,33,803
Add: Balance In Bank's Fixed Deposits (Pledged)	2,72,59,833	6,69,44,272
Cash And Cash Equivalents At The End Of The Year	3,92,19,28,173	2,97,25,78,075

NOTE:

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

As per our report of even date attached
K.G. Somani & Co.
Chartered Accountants
Firm Registration No.-06591N

Sd/-
(CA B. Maheshwari)
Partner
Membership No. 088155
Place: New Delhi
Dated: 24 August 2018

For and on behalf of the Board of Directors

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

Sd/-
(N. Sivanand)
Chairman & Managing Director
(Additional Charge)
DIN : 07852689

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

Sd/-
(Sudha V. Varadhan)
Company Secretary



Notes to Standalone Financial Statement:- (For the year ended 31st March, 2018)

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.
- b) At the year end, works executed but not measured/partly executed are accounted for based on certification by Internal Engineers, entries arising out of such accounting are reversed in the following accounting year. Accordingly, statutory obligations are met with at the time of actual receipt/ issue of bills/claims.
- c) In case of projects foreclosed/terminated, revenue is recognised only to the extent of contract value of which recovery is probable.



- d) Revenue from consultancy services is recognised on proportionate completion method. In respect of cases where ultimate collection with reasonable certainty is lacking at the time of claim, recognition is postponed till collection is made.
- e) In case of contracts where the contract costs exceed the contract revenues, anticipated loss is recognised immediately.
- f) Escalation and extra works not provided for in the contract with client, claims arising out of arbitration awards and insurance claims are accounted for on receipt basis.
- g) Liquidated damages arising from contractual obligations in respect of contracts under dispute/negotiation and not considered payable/receivable are not accounted for till final settlement.
- h) The contract is considered as closed for accounting purposes upon final billing, commissioning certificate, commercial run, foreclosure and/or termination whichever is earlier.
- i) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- j) Revenue from rent is recognized on accrual basis, based on the lease agreements with the tenants except where the ultimate collection is considered doubtful.

4. Inventory

(i) Materials

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

(ii) Work in Progress

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

5. Foreign exchange transactions

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

- i) Revenue items (income and expenditure) are translated into Indian currency on the basis



of average of buying rate prevalent on the last working day of each month of the relevant financial year.

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

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

6. Property, Plant and Equipment

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

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

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

7. Depreciation

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



S.No.	Description of Assets	Rate of Depreciation
1	Building (Other than factory Building) RCC frame structure (NESD)	1.58%
2	Others Temporary Construction (Including temporary structure etc.) (NESD)	31.67%
3	Plant and Machinery used in civil construction	
3(a)(i)	Concreting, Crushing, Piling equipment and Road Making Machine	7.92%
3(a)(ii)(a)	Cranes with capacity of more than 100 tons	4.75%
3(a)(ii)(b)	Cranes with capacity of less than 100 tons	6.33%
3(a)(iii)	Earth moving equipments	10.56%
3(a)(iv)	Others including material handling/ Pipeline/welding equipments(NESD)	7.92%
4	General Furniture and Fixture (NESD)	9.50%
5	Office Equipments (NESD)	19%
6	Computers and data processing units (NESD)	
6(a)	Server and Network	15.83%
6(b)	End user devices such as Desktop, Laptop, Software including user license fee, other intangible assets etc.	31.67%
7	Motor Vehicles (NESD)	
7(a)	Motorcycles, Scooters & Other Mopeds	9.50%
7(b)	Motor Buses, Motor Lorries and Motor Cars other than used in business of running them on hire	11.88%

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

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

8. Employee benefits

- (i) Short Term employee benefits are recognised as an expense at the undiscounted amount



in the Profit and Loss statement of the year in which the related service is rendered.

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

9. Provisions, contingent liabilities and contingent assets

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

10. Provision for Doubtful Debts/ Loans and Advances

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

11. Segment Reporting

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

12. Impairment of assets

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



accordingly reversed in the profit and loss account.

13. Taxation

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

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

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

14. Leases

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

15. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

16. Prior Period Items and Prepaid Expenses

Expenditure/income relating to prior period and prepaid expenses not exceeding ₹ 50,000/- in each case are treated as expenditure/income of the current year.



Note No. 2.1

(Amount in ₹)

Share Capital	As at 31st March 2018	As at 31st March 2017
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)	9,09,40,46,000	9,09,40,46,000
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)	35,42,26,880	35,42,26,880
Total	35,42,26,880	35,42,26,880

Note 2.1 (A)

Reconciliation of No. of Shares Outstanding	As at 31st March 2018	As at 31st March 2017
	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 2018		As at 31st March 2017	
	No. of Shares	% age Holding	No. of Shares	% age Holding
The President of India	3,54,15,677	99.98	3,54,15,677	99.98



Note No. 2.2

(Amount in ₹)

Reserve & Surplus	As at 31st March 2018	As at 31st March 2017
A) Capital Reserve		
Balance as at the beginning and end of the year	2,10,020	2,10,020
B) General Reserve		
Balance as at the beginning of the year	21,15,00,000	21,15,00,000
Add: Addition during the year	-	-
Balance as at the end of the year	21,15,00,000	21,15,00,000
C) Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	1,73,93,92,577	1,71,24,47,132
Add: Profit/(Loss) for the year	13,53,896	2,69,45,445
Less: Dividend Paid*	-	-
Less: Dividend Distribution Tax*	-	-
Balance as at the end of the year	1,74,07,46,473	1,73,93,92,577
Total (A+B+C)	1,95,24,56,493	1,95,11,02,597

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

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

As has been discussed with DIPAM, they have approved the exemption from payment of dividend for the FY 2016-17 and for the FY 2017-18 it is in the process of approval.



Note No. 2.3

(Amount in ₹)

Other Long Term Liabilities	As at 31st March 2018	As at 31st March 2017
Trade Payables		
- Micro, Small & Medium Enterprises *	-	-
- Others	1,03,93,53,069	1,04,25,71,767
Other Liabilities		
- Security Deposits & Retention Money #	2,16,46,49,278	1,91,86,72,232
-Advance Received from Clients	83,91,54,599	1,72,41,29,572
- Other Payable to Clients	3,08,87,869	1,23,53,526
Total	4,07,40,44,815	4,69,77,27,097

* 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 ₹ 10.06 crore received by EPIL in lieu of BG provided by EPIL for ₹ 45.54 crore on behalf of C&C Constructions Limited in Myanmar Project and balance is secured against work done in Oman.

Note No. 2.4

(Amount in ₹)

Long Term Provisions	As at 31st March 2018	As at 31st March 2017
Employee Benefits		
-Leave Encashment	10,79,13,131	11,54,89,137
-Long Service Award	23,82,554	40,02,326
-Post Retirement Medical Benefits	16,39,97,811	17,46,78,634
-Post Retirement Travelling Allowance	2,47,530	6,53,905
Total	27,45,41,026	29,48,24,002



Note No. 2.5

(Amount in ₹)

Trade Payables	As at 31st March 2018	As at 31st March 2017
Trade Payables		
- Micro, Small & Medium Enterprises *	57,61,885	-
- Others	4,94,51,86,136	4,66,23,65,459
Total	4,95,09,48,021	4,66,23,65,459

*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. 2.6

(Amount in ₹)

Other Current Liabilities	As at 31st March 2018	As at 31st March 2017
Advance From Clients	4,93,34,36,805	4,33,74,32,687
Security, Retention & Earnest Money Payable	1,28,24,61,874	1,46,14,15,056
Outstanding Liabilities	4,47,72,826	13,61,16,865
Other Payable to Clients	9,19,82,646	8,37,83,891
Advance Revenue for Works	79,09,83,769	61,35,86,476
Payable to Employees *	1,16,57,987	3,45,92,495
Statutory Liabilities	29,12,39,636	17,84,92,237
Total	7,44,65,35,543	6,84,54,19,707

* During the year ended on 31.03.2018 an amount of ₹ 44,64,159 (previous year ₹ 2,99,83,663) related to Performance Related Pay is pending for release to certain employees.



Note No. 2.7

(Amount in ₹)

Short Term Provisions	As at 31st March 2018	As at 31st March 2017
Provision for Expected Loss (As per AS-7)	4,56,60,155	9,58,63,976
Provision for Income Tax (Foreign)	6,04,10,958	1,32,44,678
Provision for Pay Revision (3rd PRC)#	5,43,03,797	1,75,00,000
Employee Benefits		
-Leave Encashment	2,12,73,786	1,92,34,310
-Gratuity	6,78,02,518	43,26,234
-Long Service Award	6,83,721	4,85,214
-Post Retirement Medical Benefits	1,20,57,814	99,72,800
-Post Retirement Travelling Allowance	49,348	1,30,700
Total	26,22,42,097	16,07,57,912

Pursuant to the guidelines regarding pay revision (3rd PRC) w.e.f. 01.01.2017 provision of ₹ 3,68,03,797 (previous year ₹ 1,75,00,000) has been made in the books of accounts during 2017-18 subject to approval of Administrative Ministry on the estimated basis. The cumulative provision as at 31.03.2018 is ₹ 5,43,03,797 (₹ 1,75,00,000 as on 31.03.2017).



Note No. 2.8 (i)
Property Plant & Equipments as on 31.03.2018

(Amount in ₹)

DESCRIPTION	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		
	OPENING BALANCE	ADDITIONS	SALE/WRITTEN OFF	TOTAL	OPENING BALANCE	FOR THE YEAR	SALE/WRITTEN OFF	TOTAL	As at 31st March 2018	As at 31st March 2017
PROPERTY PLANT & EQUIPMENT										
LAND FREEHOLD	-	-	-	-	-	-	-	-	-	-
LAND LEASEHOLD	16,15,856	-	-	16,15,856	2,99,470	16,322	-	3,15,792	13,00,064	13,16,386
BUILDING FREEHOLD	46,87,325	-	-	46,87,325	25,76,808	1,09,118	-	26,85,926	20,01,399	21,10,517
BUILDING LEASEHOLD*	6,67,12,979	-	-	6,67,12,979	2,39,24,739	12,76,931	-	2,52,01,670	4,15,11,309	4,27,88,240
COMPUTER AND EQUIPMENTS	4,65,65,927	32,31,422	11,96,497	4,86,00,852	3,89,16,887	32,12,854	11,19,785	4,10,09,956	75,90,896	76,49,040
OFFICE AND OTHER EQUIPMENTS	2,39,46,198	18,96,022	7,82,495	2,50,59,725	1,68,64,034	29,96,742	7,46,947	1,91,13,829	59,45,896	70,82,164
CONSTRUCTION EQUIPMENTS	6,41,37,221	-	14,96,577	6,26,40,644	4,44,95,807	18,58,776	14,21,748	4,49,32,835	1,77,07,809	1,96,41,414
FURNITURES & FIXTURES	2,50,21,481	28,13,179	6,14,965	2,72,19,695	1,48,90,585	19,52,170	5,94,596	1,62,48,159	1,09,71,536	1,01,30,896
VEHICLES	74,21,984	-	-	74,21,984	39,21,110	6,56,831	-	45,77,941	28,44,043	35,00,874
TOTAL	24,01,08,971	79,40,623	40,90,534	24,39,59,060	14,58,89,440	1,20,79,744	38,83,076	15,40,86,108	8,98,72,952	9,42,19,531
PREVIOUS YEAR	23,01,65,832	1,53,55,551	54,12,412	24,01,08,971	13,69,79,361	1,18,19,061	29,08,982	14,58,89,440	9,42,19,531	-

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

Note No. 2.8 (ii)
Intangible assets as at 31.03.2018

(Amount in ₹)

DESCRIPTION	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		
	OPENING BALANCE	ADDITIONS	SALE/WRITTEN OFF	TOTAL	OPENING BALANCE	FOR THE YEAR	SALE/WRITTEN OFF	TOTAL	As at 31st March 2018	As at 31st March 2017
INTANGIBLE ASSETS										
SOFTWARES (ACQUIRED)	1,38,03,752	42,32,331	2,39,926	1,77,96,157	85,93,695	33,88,131	2,26,242	1,17,55,584	60,40,573	52,10,057
TOTAL	1,38,03,752	42,32,331	2,39,926	1,77,96,157	85,93,695	33,88,131	2,26,242	1,17,55,584	60,40,573	52,10,057
PREVIOUS YEAR	1,25,31,167	13,17,032	44,447	1,38,03,752	60,97,026	25,38,892	42,223	85,93,695	52,10,057	-



Note No. 2.9

(Amount in ₹)

Deferred Tax Assets (Net)*	As at 31st March 2018	As at 31st March 2017
Depreciation on Fixed Assets	(83,36,100)	(95,88,486)
Provision for Doubtful Debts	11,20,78,286	10,33,40,963
Provision for Employee Benefits (AS-15)	3,98,46,958	4,20,99,368
Other Disallowances	1,52,49,195	3,32,09,451
Total	15,88,38,339	16,90,61,296

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

Note No. 2.10

(Amount in ₹)

Long term Loans and Advances	As at 31st March 2018	As at 31st March 2017
(Unsecured, Considered Good Unless Stated Otherwise)		
Advance for Works:		
-Mobilization Advance Secured Against BG	43,65,66,985	1,24,31,73,537
-Secured against Material	-	44,44,549
-Other Advances	16,25,33,540	20,38,33,502
Other Advances Considered Doubtful	5,78,80,446	5,83,84,248
	65,69,80,971	1,50,98,35,836
Less: Allowance for Bad & Doubtful Advances	5,78,80,446	5,83,84,248
Staff Loans & Advances	23,31,230	31,37,853
Security & Retention Money	1,45,86,25,096	1,25,15,70,949
Considered Doubtful	8,85,31,569	8,85,31,569
	1,54,71,56,665	1,34,01,02,518
Less: Allowance for Bad & Doubtful Recoveries	8,85,31,569	8,85,31,569
Advance Tax /TDS Recoverable	55,76,75,160	47,93,86,274
Less: Provision for Income Tax	26,97,98,903	26,98,33,473
Advance Tax (Foreign)#	5,19,41,323	
MAT Credit (A.Y. 2018-19)	28,80,365	
Indirect Tax (Recoverable, Input Tax Credit, Advance)	14,79,27,724	9,41,78,885
Total	2,55,06,82,520	3,00,98,92,076

As per the provisions of the Income Tax Act, 1961, the income tax payable for the FY 2017-18 is higher of Rs. 84,69,635/- (tax payable as per normal provisions of the said Act) or Rs. 1,13,46,872/- rounded off to Rs. 1,13,50,000/- (tax payable under Minimum Alternate Tax i.e. section 115JB). The excess of tax liability under MAT over the tax liability under the normal provisions amounting to Rs. 28,80,365/- is shown as MAT Credit (A.Y. 2018-19).

Further, the credit of taxes paid in Oman & Sri Lanka amounting to Rs. 6,04,10,958/- shall be restricted to the Income Tax Payable as per the normal provisions of the Act i.e. Rs. 84,69,635/- and the balance is shown under Advance Tax (Foreign) i.e. Rs. 5,19,41,323/-. However since the assessment for the said year before the Income Tax Authorities is yet to start therefore the necessary adjustment in the books of account shall be made accordingly as and when the assessment is completed.



Note No. 2.11

(Amount in ₹)

Other Non Current Assets	As at 31st March 2018		As at 31st March 2017	
Trade Receivables				
Unsecured Considered Good	63,44,11,595		59,87,67,976	
Considered Doubtful	6,99,39,383		6,86,38,088	
	70,43,50,978		66,74,06,064	
Less: Allowance for Bad & Doubtful Recoveries	6,99,39,383	63,44,11,595	6,86,38,088	59,87,67,976
Other Assets				
Recoverable from Clients Vendors & Others	1,90,41,07,664		1,85,29,56,489	
Considered Doubtful	11,93,73,159		8,30,50,357	
	2,02,34,80,823		1,93,60,06,846	
Less: Allowance for Bad & Doubtful Recoveries	11,93,73,159	1,90,41,07,664	8,30,50,357	1,85,29,56,489
Total	2,53,85,19,259			2,45,17,24,465

Note No. 2.12

(Amount in ₹)

Current Investments	As at 31st March 2018	As at 31st March 2017
Investment in 51000 (P.Y. 51000) Equity Shares of Rs. 10/- Each Fully Paid up of EPI Urban Infra Developers Ltd. (Subsidiary Company)	5,10,000	5,10,000
Less Provision for Diminuation in Value of Investment.	5,10,000	5,10,000
Total	-	-

Note No. 2.13

(Amount in ₹)

Inventories	As at 31st March 2018	As at 31st March 2017
Materials :(Lower of Cost or NRV)		
-Steel	92,61,365	2,15,51,117
-Cement	18,62,625	9,62,962
-Pipes & Others	76,16,318	1,71,39,010
Total	1,87,40,308	3,96,53,089



Note No. 2.14

(Amount in ₹)

Trade Receivables	As at 31st March 2018	As at 31st March 2017
Trade Receivables		
Unsecured Considered Good Outstanding For:-		
- Less Than Six Months	3,51,75,00,639	2,83,91,31,647
- More Than Six Months	9,34,90,650	16,29,19,663
Considered Doubtful	-	-
	36,10,9,91,289	3,00,20,51,310
Less: Allowance for Bad & Doubtful Recoveries	-	-
Total	3,61,09,91,289	3,00,20,51,310

Note No. 2.15

(Amount in ₹)

Cash and Bank Balances	As at 31st March 2018	As at 31st March 2017
Cash & Cash Equivalents		
Cash In Hand	2,00,309	31,967
Balances With Banks		
-In Current Accounts*	99,00,57,946	50,90,14,314
-Fixed Deposit (With Maturity Upto 3 Months)**	2,52,07,24,210	2,02,64,19,948
Other Bank Balances		
Fixed Deposits # (Pledged Against Margin Money / Earnest Money)	2,72,59,833	6,69,44,272
Fixed Deposit ** (With Maturity More Than 3 Months but less than 12 months)	38,36,85,875	37,01,67,574
Total	3,92,19,28,173	2,97,25,78,075

*Out of the above Balance in Current Account ₹ 49,98,89,671 (previous year ₹ 34,37,40,648) is held as deposit on behalf of client.

**Out of the above Balance in Fixed Deposits ₹ 275,29,18,432 (previous year ₹ 1,94,23,94,564) is held as deposit on behalf of client.

As on 31.03.2018 Company has pledged fixed deposits amounting to ₹ 2,72,59,833 (Previous year ₹ 6,69,44,272) with clients/others on account of earnest money deposit/security deposit out of which fixed deposit of ₹ 58,29,633 submitted to Client is under dispute, matter is sub-judice



Note No. 2.16

(Amount in ₹)

Short Term Loan & Advances	As at 31st March 2018	As at 31st March 2017
(Unsecured Considered Good Unless Stated Otherwise)		
Advance for Works:		
-Mobilization Advance Secured Against BG	1,61,87,28,799	1,90,40,95,623
-Secured Against Material	13,32,90,238	12,44,26,959
-Other Advances	6,98,32,289	5,31,36,907
Indirect Tax (Recoverable Input Tax Credit Advance)	46,54,97,580	26,21,26,376
Staff Loans & Advances*	36,51,806	32,69,173
Security Retention & Earnest Money Receivable	76,76,85,485	1,11,60,98,831
Total	3,05,86,86,197	3,46,31,53,869

*Refer Note No. 2.32 (v) (b)

Note No. 2.17

(Amount in ₹)

Other Current Assets	As at 31st March 2018	As at 31st March 2017
Interest Accrued but not due on Bank Deposits	3,93,16,143	94,18,768
Prepaid Expenses	8,72,67,847	7,32,13,816
Recoverable from Clients Vendors & Others	1,10,21,34,755	1,26,44,23,912
Recoverable from Subsidiary Company	47,871	69,700
Unbilled Revenue	2,13,19,28,649	2,41,17,53,690
Total	3,36,06,95,265	3,75,88,79,886

Note No. 2.18

(Amount in ₹)

Revenue From Operations	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Value of Work Done	16,07,14,39,585	16,25,89,66,185
Other Operating Income	26,58,922	4,48,38,294
Total	16,07,40,98,507	16,30,38,04,479



Note No. 2.19

(Amount in ₹)

Other Income	For the Year ended 31st March 2018		For the Year ended 31st March 2017	
Interest Income earned on Deposits with Bank	1,28,72,589		6,54,10,714	
Staff Advances	2,26,098		2,82,688	
Other (Sub Contractor/Clients /I.T. Refund)	6,12,87,080	7,43,85,767	18,62,84,738	25,19,78,140
Other non-Operating Income				
Unspent Liabilities/ Balances Written Back	84,73,850		6,63,05,184	
Miscellaneous Income	1,99,51,449		2,00,85,894	
Reversal of Provision for Expected Loss as per AS-7	4,98,68,122	7,82,93,421	-	8,63,91,078
Total		15,26,79,188		33,83,69,218

Note No. 2.20

(Amount in ₹)

Operating Expenses	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Civil Mechanical Electrical Works	14,89,50,69,195	14,88,32,47,368
Design & Consultancy Charges	5,84,23,775	14,04,44,790
Other Direct Expenditure	5,86,83,273	7,84,46,674
Provision for Expected Loss (As per AS-7)	-	9,58,63,976
Claims Paid	20,56,189	2,71,73,521
Royalty	4,61,850	26,79,371
Total	15,01,46,94,282	15,22,78,55,700



Note No. 2.21

(Amount in ₹)

Employee Remuneration and Benefits	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Salary & Allowances #	59,48,62,128	60,49,18,444
Contribution to Provident & Gratuity Funds \$	10,85,60,788	4,75,71,130
Staff Welfare Expenses *	8,17,92,850	12,45,72,990
Total	78,52,15,766	77,70,62,564

Salary & Allowances includes a provision of ₹ 3,68,03,797 (previous year ₹ 1,75,00,000) created on account of Pay Revision (3rd PRC)

\$ Includes an amount of ₹ 45,915 (previous year ₹ 14,30,860) on account of interest shortfall of Provident Fund Trust and ₹ 36,849 other recoverable pertaining to earlier period which has been compensated and charged.

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

Note No. 2.22

(Amount in ₹)

Finance Cost	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Interest Paid to:		
- Bank	39,82,232	1,98,71,793
- Others	4,45,88,132	4,15,53,882
Total	4,85,70,364	6,14,25,675



Note No. 2.23

(Amount in ₹)

Other Expenses	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Printing & Stationery	84,34,043	1,08,98,123
Rates & Taxes	59,01,778	38,41,368
Postage & Telecommunication	1,34,97,727	1,73,88,224
Repair & Maintenance		
Office	3,53,68,297	3,29,28,842
Building	14,63,237	11,60,682
Other Fixed Assets	1,07,577	2,75,298
Water Power & Fuel charges	1,15,97,149	1,54,02,955
Tendering Expenses	14,75,897	18,94,626
Advertisement & Publicity	67,36,146	93,97,251
Legal & Professional Charges	3,11,38,705	1,97,86,893
Advisors On Contract	50,51,458	2,28,33,111
Insurance	41,08,134	28,79,050
Entertainment	14,61,336	27,35,340
Bank Charges	1,31,21,324	1,43,30,829
Vehicle Running & Maintenance	26,79,674	40,53,412
Manpower Development	1,38,182	6,29,208
Loss by Fire	-	24,56,354
Loss on sale of Fixed Assets	1,09,501	11,412
Sponsorship Fee	1,15,000	4,19,550
Travelling & Other Incidental Expenses (Domestic) \$	6,75,27,190	8,15,38,624
Travelling & Other Incidental Expenses (Foreign)	46,16,831	49,04,647
CSR & Sustainability *	48,000	16,74,900
Auditor's Remuneration @	16,65,163	18,32,339
Business Promotion	4,99,03,818	1,19,88,445
Office Rent #	1,14,19,024	1,08,91,270
Computer Expenses	41,87,130	28,45,894
Membership & Subscription Fee	3,07,762	6,75,490
Filing & Registration Fee	37,555	3,51,688
Provision for Doubtful Debts Loans & Advances & Others	4,13,01,295	8,00,00,000
Amounts Written off for Doubtful Recovery	29,46,497	5,20,52,059
Provision Against Investment in Subsidiary Company	-	5,10,000
Foreign Exchange Variation (Gain)/ Loss	(1,11,33,710)	81,94,404
Miscellaneous Expenses	1,13,78,641	99,25,913
Total	32,67,10,361	43,07,08,201

\$ Travelling and other incidental expenses includes ₹ 80,62,540 towards site living hardship expenses (previous year ₹ 99,73,325) and travelling expenses of directors ₹ 21,17,309 (previous year ₹ 25,41,656).

* In accordance with provisions of Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average of its net profit from the immediately preceding three financial years on Corporate Social Responsibility (CSR). Gross amount required to be spent by the Company for CSR and Sustainability during the year is ₹ 1,81,000 (being amount carried forward from budgets of previous year). Actual Amount spent during the year is ₹ 48,000 for the purpose other than construction/ acquisition of any assets.

Lease rental expenses under the cancellable operating leases amounting to ₹ 1,14,19,024 (previous year ₹ 1,08,91,270) for the year has been charged.



@ Details in respect of payment to auditors:

(Amount in ₹)

Auditors' Remuneration#	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Audit Fee	12,59,375	14,19,108
Tax Audit	2,93,088	3,32,981
Other Services (Certification fee)	1,02,600	17,250
Other Expenses	10,100	63,000
Total	16,65,163	18,32,339

Excluding GST (P.Y. figures are inclusive of Service Tax)

Note No. 2.24

(Amount in ₹)

Prior Period Adjustments (Net)	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Income		
Operating Income	-	(8,92,62,864)
Other Income	-	14,03,508
Less: Expenses		
Operating Expenses	1,66,92,000	1,42,140
Employee Remuneration and Benefits	-	-
Depreciation	-	-
Others	22,95,494	15,88,617
Total	(1,89,87,494)	(8,95,90,113)

Note No. 2.25

(Amount in ₹)

	Contingent Liabilities	As at 31.03.18	As at 31.03.17
1	In respect of legal and Arbitration:		
a	Claims pending for adjudication amount thereof has been taken wherever quantified or reasonably ascertainable*	3,40,41,18,879	2,82,72,18,879
b	In respect of cases where awards are published in favour of company but defendants have gone to appeal.*	18,33,39,791	18,33,39,791
2	In respect of Income Tax/ Sales Tax / Works Contract Tax/ Service Tax demand in respect of completed assessments under dispute/appeals	47,85,53,255	41,76,35,124

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



Note No. 2.26

Estimated amount of contracts remaining to be executed on Development of Intangible Asset and not provided for ₹ 64,05,196 (previous year ₹ 98,33,923) on account of implementation of ERP and amount of ₹ 21,80,159 has been capitalised during 2017-18 in this respect.

Note No. 2.27

Expenditure in Foreign Currency:

(Amount in ₹)

Sl.No.	Particulars	Year ended 31.03.18	Year ended 31.03.17
1	Operational Expenditure	7,38,58,20,302	5,19,20,37,224
2	Professional & Consultancy Charges	1,56,89,866	3,24,99,613
3	Foreign Exchange Fluctuation Loss	77,779	80,26,085
4	Purchase of Fixed Assets	2,00,991	4,60,327
5	Administrative & Other Expenses		
a	Travel	1,12,29,660	1,24,31,158
b	Tendering Expenses	38,916	-
c	Others	5,14,23,150	6,23,24,255
	TOTAL	7,46,44,80,664	5,30,77,78,662

Earning in foreign currency:

(Amount in ₹)

Sl.No.	Particulars	Year ended 31.03.18	Year ended 31.03.17
1	Work Receipts	7,95,44,96,532	5,50,97,22,070
2	Interest Income	6,74,734	1,54,25,660
3	Foreign Exchange Fluctuation Gain	1,07,21,332	-
4	Others	40,15,006	2,48,349
	TOTAL	7,96,99,07,604	5,52,53,96,078

Foreign exchange remitted from Oman ₹ 43,01,98,234 equivalent USD 66,90,000 during the financial year 2017-18 (previous year ₹ 4,66,05,473 equivalent USD 700,000).

Note No. 2.28

- a) Company has availed non fund based credit limits of ₹ 713,75,06,067 (Previous year ₹ 690,40,20,131) from banks without any security. This includes ₹ 75.90 crore towards project to be executed in Myanmar by EPI-C&C JV, which includes ₹ 45.54 crore towards bank guarantee issued on behalf of its lead partner i.e. C&C Constructions Limited and ₹ 30.36 crore on its own behalf.
- b) In lieu of BG provided by EPIL for ₹ 45.54 crore on behalf of C&C Constructions Limited in Myanmar Project, EPIL has received ₹ 10.06 crore and balance is secured against work done in Oman.



Note No. 2.29

Disclosure as per AS-17

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

Primary Segment Information (Geographic)

(Amount in ₹)

Particulars	Current Year				Previous Year			
	Domestic	Foreign	Un-allocated	Total	Domestic	Foreign	Un-allocated	Total
Type of Business	Construction				Construction			
Revenue from Operation	8,11,96,01,975	7,95,44,96,532	-	16,07,40,98,507	10,79,40,82,409	5,50,97,22,070	-	16,30,38,04,479
Other Income	13,45,89,467	46,89,740	1,33,99,981	15,26,79,188	26,80,61,285	1,56,74,009	5,46,33,924	33,83,69,218
Total Income	8,25,41,91,442	7,95,91,86,272	1,33,99,981	16,22,67,77,695	11,06,21,43,694	5,52,53,96,079	5,46,33,924	16,64,21,73,697
Results								
Profit before Interest, Depreciation and Tax	7,48,85,635	42,11,63,853	(41,48,79,697)	8,11,69,791	28,54,83,949	3,38,76,972	(20,24,03,802)	11,69,57,119
Interest	4,46,16,614	3,350	39,50,400	4,85,70,364	4,15,53,882	2,84,876	1,95,86,917	6,14,25,675
Depreciation	63,46,411	7,69,907	83,51,557	1,54,67,875	61,61,040	8,30,461	73,66,452	1,43,57,953
Profit before Tax	2,39,22,610	42,03,90,596	(42,71,81,653)	1,71,31,553	23,77,69,027	3,27,61,636	(22,93,57,172)	4,11,73,491
Profit After Tax	2,39,22,610	35,99,79,638	(38,25,48,352)	13,53,896	23,77,69,027	1,95,16,958	(23,03,40,540)	2,69,45,445
Capital Expenditure Addition to Tangible and Intangible Assets)	60,27,382	2,00,991	59,44,581	1,21,72,954	47,93,897	1,79,321	116,99,365	1,66,72,583
Other Information	As at 31st March 2018				As at 31st March 2017			
Total Assets	11,60,32,84,923	5,43,25,60,618	2,27,91,49,334	19,31,49,94,875	11,94,79,66,336	5,77,21,24,813	1,24,63,32,505	18,96,64,23,654
Property Plant and Equipment & Intangible Assets (Carrying Amount)	3,26,75,756	41,22,197	5,91,15,572	9,59,13,525	3,31,77,510	46,91,114	6,15,60,964	9,94,29,588
Total Liabilities	11,02,31,28,763	5,49,86,49,817	48,65,32,922	17,00,83,11,502	10,48,51,06,128	5,74,80,09,011	42,79,79,038	16,66,10,94,177

Note No. 2.30

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

(Amount in ₹)

Sl. No.	Particulars	As at 31.03.2018	As at 31.03.2017
1	Revenue from operations	16,07,40,98,507	16,30,38,04,479
2	Contract costs incurred and profit recognised upto the reporting date	97,90,36,11,580	83,19,09,42,372
3	Advances received	5,77,25,91,404	6,06,15,62,259
4	Gross amount due from customers for contract work- presented as an asset (Unbilled Revenue)	2,13,19,28,649	2,41,17,53,690
5	Gross amount due to customers for contract work – presented as a liability. (Advance Revenue for Work)	79,09,83,769	61,35,86,476
6	Retention money Receivable	1,84,77,37,062	2,00,17,54,652

Management has made an assessment and found that no fresh provision is required to be created on account of expected future loss on any project in accordance with AS-7 issued by ICAI. However provision of ₹ 4,98,68,122 made in earlier years for expected loss has been reversed during the year.



Note No. 2.31

Details of Employee benefits as per AS-15:-

i) Changes in defined benefit obligation

(Amount in ₹)

Particulars	Gratuity	Long term compensated absences	Long service award	Post-retirement medical benefit	Post-retirement Travel Allowance
	(Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)
Discount rate	7.85% (7.36%)	7.85% (7.36%)	7.85% (7.36%)	7.85% (7.36%)	7.85% (7.36%)
Rate of increase in compensation levels/ Premium Inflation/ Cost of Travel	5.00%	5.00%	-	0.50%	3.00%
Expected rate of return on assets	7.85% (7.36%)	-	-	-	-
Retirement Age *	60 years	60 years	60 years	60 years	60 years
Mortality Table*	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	Pre-retirement: IALM (2006-08) Ultimate Post Retirement: LIC (1996-98) Ult	IALM (2006-08) Ultimate
Average reimbursement per Couple	-	-	-	Rs. 51561	-
	-	-	-	(Rs. 55772)	-
Age*	Employee Turnover (%)				
Upto 30 Years	3.00%	3.00%	3.00%	3.00%	3.00%
From 31 to 44 Years	2.00%	2.00%	2.00%	2.00%	2.00%
Above 44 Years	1.00%	1.00%	1.00%	1.00%	1.00%

*Same as previous year



Particulars	Gratuity	Long term compensated absences	Long service award	Post-retirement medical benefit	Post-retirement Travel Allowance
	(Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)
Projected Benefit Obligation at the beginning of year	12,83,38,870 (13,74,34,160)	13,47,23,447 (13,22,99,042)	44,87,540 (51,49,456)	18,46,51,434 (17,03,64,891)	7,84,605 (2,72,939)
Current service cost	84,03,139 (95,35,956)	80,48,040 (78,19,249)	3,27,967 (3,42,385)	71,36,293 (84,67,205)	55,879 (49,674)
Interest cost	95,17,860 (1,01,73,508)	95,03,991 (99,48,344)	3,24,496 (3,84,157)	1,34,85,962 (1,32,93,629)	54,994 (21,450)
Actuarial (Gain)/loss	(12,14,116) ((52,10,630))	88,58,597 (1,73,26,262)	(15,48,254) (3,41,214)	(47,12,548) (1,80,29,962)	(5,71,385) (5,80,261)
Acquisition adjustment	- -	- -	- -	- -	- -
Benefits Paid	(1,76,56,355) ((2,35,94,124))	(3,19,47,158) ((3,26,69,450))	(5,25,474) ((17,29,672))	(2,45,05,516) ((2,55,04,253))	(27,215) ((1,39,719))
Past Service Cost	6,00,14,564 -				
Projected Benefit Obligation at end of year	18,74,03,962 (12,83,38,870)	12,91,86,917 (13,47,23,447)	30,66,275 (44,87,540)	17,60,55,625 (18,46,51,434)	2,96,878 (7,84,605)

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

(Amount in ₹)

Particulars	2017-18	2016-17
	(Funded)	(Funded)
Fair value of Plan Assets as at beginning of the year	12,40,12,636	12,98,03,738
Expected Return on Plan Assets	84,77,577	93,34,328
Actual Contributions	43,26,234	76,30,422
Actuarial Gain / (Loss)	4,41,352	8,38,272
Benefits Paid	(1,76,56,355)	(2,35,94,124)
Acquisition Adjustment	-	-
Fair value of Plan Assets as at end of the year	11,96,01,444	12,40,12,636



iii) Amount recognized in the Balance Sheet

(Amount in ₹)

Particulars	Gratuity	Long term compensated absences	Long service award	Post-retirement medical benefit	Post-retirement Travel Allowance
	(Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)
Defined benefits obligation as at end of year	18,74,03,962 <i>(12,83,38,870)</i>	12,91,86,917 <i>(13,47,23,447)</i>	30,66,275 <i>(44,87,540)</i>	17,60,55,625 <i>(18,46,51,434)</i>	2,96,878 <i>(7,84,605)</i>
Fair value of plan assets as at end of year	11,96,01,444 <i>(12,40,12,636)</i>	- -	- -	- -	- -
Funded Status Asset / (Liability)	(6,78,02,518) <i>((43,26,234))</i>	(12,91,86,917) <i>((13,47,23,447))</i>	(30,66,275) <i>((44,87,540))</i>	(17,60,55,625) <i>((18,46,51,434))</i>	(2,96,878) <i>((7,84,605))</i>
Net (Liability)/ Asset recognized in Balance Sheet	(6,78,02,518) <i>((43,26,234))</i>	(12,91,86,917) <i>((13,47,23,447))</i>	(30,66,275) <i>((44,87,540))</i>	(17,60,55,625) <i>((18,46,51,434))</i>	(2,96,878) <i>((7,84,605))</i>

iv) Expenses recognized in the Profit and Loss Account

(Amount in ₹)

Particulars	Gratuity	Long term compensated absences	Long service award	Post-retirement medical benefit	Post-retirement Travel Allowance
	(Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)
Current Service cost	84,03,139 <i>(95,35,956)</i>	80,48,040 <i>(78,19,249)</i>	3,27,967 <i>(3,42,385)</i>	71,36,293 <i>(84,67,205)</i>	55,879 <i>(49,674)</i>
Interest cost	95,17,860 <i>(1,01,73,508)</i>	95,03,991 <i>(99,48,344)</i>	3,24,496 <i>(3,84,157)</i>	1,34,85,962 <i>(1,32,93,629)</i>	54,994 <i>(21,450)</i>
Expected return on Plan Assets	(84,77,577) <i>((93,34,328))</i>	- -	- -	- -	- -
Net actuarial (Gain)/Loss recognized in the period	(16,55,468) <i>((60,48,902))</i>	88,58,597 <i>(1,73,26,262)</i>	(15,48,254) <i>(3,41,214)</i>	(47,12,548) <i>(1,80,29,962)</i>	(5,71,385) <i>(5,80,261)</i>
Past Service Cost	6,00,14,564 -	- -	- -	- -	- -
Expenses recognized in the P & Loss A/c	6,78,02,518 <i>(43,26,234)</i>	2,64,10,628 <i>(3,50,93,855)</i>	(8,95,791) <i>(10,67,756)</i>	1,59,09,707 <i>(3,97,90,796)</i>	(4,60,512) <i>(6,51,385)</i>

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



(i) Comparative Data of last five years - Gratuity

(Amount in ₹)

S. No.	Particulars	31.03.14	31.03.15	31.03.16	31.03.17	31.03.18
a)	Defined benefit obligation at the end of period	14,53,80,147	13,98,97,910	13,74,34,160	12,83,38,870	18,74,03,962
b)	Plan asset at the end of period	14,49,94,542	13,54,84,798	12,98,03,738	12,40,12,636	11,96,01,444
c)	Funded Status	(3,85,605)	(44,13,112)	(76,30,422)	(43,26,234)	(6,78,02,518)
d)	Experience adjustment on plan Liabilities (loss) / gain	(3,85,605)	(44,13,112)	(76,30,422)	(43,26,234)	(6,78,02,518)

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

(Amount in ₹)

S. No.	Particulars	31.03.14	31.03.15	31.03.16	31.03.17	31.03.18
a)	Defined benefit obligation at the end of period	66,73,650	61,76,600	51,49,456	44,87,540	30,66,275
b)	Fair value of Plan asset at the end of period	-	-	-	-	-
c)	Funded Status	(66,73,650)	(61,76,600)	(51,49,456)	(44,87,540)	(30,66,275)
d)	Net (Laibility)/Asset recognized in Balance Sheet	(66,73,650)	(61,76,600)	(51,49,456)	(44,87,540)	(30,66,275)

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

(Amount in ₹)

S. No.	Particulars	31.03.14	31.03.15	31.03.16	31.03.17	31.03.18
a)	Defined benefit obligation at the end of period	12,29,72,341	12,87,94,211	17,03,64,891	18,46,51,434	17,60,55,625
b)	Fair value of Plan asset at the end of period	-	-	-	-	-
c)	Funded Status	(12,29,72,341)	(12,87,94,244)	(17,03,64,891)	(18,46,51,434)	(17,60,55,625)
d)	Net (Laibility)/Asset recognized in Balance Sheet	(12,29,72,341)	(12,87,94,211)	(17,03,64,891)	(18,46,51,434)	(17,60,55,625)



(i) Comparative Data of last five years - Leave Encashment

(Amount in ₹)

S. No.	Particulars	31.03.14	31.03.15	31.03.16	31.03.17	31.03.18
a)	Defined benefit obligation at the end of period	12,49,11,989	12,80,71,143	13,22,99,042	13,47,23,447	12,91,86,917
b)	Fair value of Plan asset at the end of period	-	-	-	-	-
c)	Funded Status	(12,49,11,989)	(12,80,71,143)	(13,22,99,042)	(13,47,23,447)	(12,91,86,917)
d)	Net (Laibility)/Asset recognized in Balance Sheet	(12,49,11,989)	(12,80,71,143)	(13,22,99,042)	(13,47,23,447)	(12,91,86,917)

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

(Amount in ₹)

S. No.	Particulars	31.03.14	31.03.15	31.03.16	31.03.17	31.03.18
a)	Defined benefit obligation at the end of period	-	-	2,72,939	7,84,605	2,96,878
b)	Fair value of Plan asset at the end of period	-	-	-	-	-
c)	Funded Status	-	-	(2,72,939)	(7,84,605)	(2,96,878)
d)	Net (Laibility)/Asset recognized in Balance Sheet	-	-	(2,72,939)	(7,84,605)	(2,96,878)

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. 2.32

Related Party Disclosures

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

- i) Shri N. Sivanand, Joint Secretary, DHI has been entrusted the additional charge of Chairman and Managing Director, initially for a period of 3 months w.e.f. 15.06.2017, which has been extended from time to time and as per latest orders, the additional charge has been entrusted for a further period of six months w.e.f. 15.03.2018 or till finalization of the disciplinary proceedings against Shri SPS Bakshi, CMD, EPIL or until further orders, whichever is the earliest. Shri N. Sivanand, CMD (Addl. Ch.) has been entrusted with the additional charge of the post of Director (Projects) by DHI w.e.f. 01.07.2018 for a period of 3 months or till the appointment of regular incumbent or until further orders, whichever is the earliest.
- ii) Key Management Personnel with whom there were transactions during the year:
 - Shri Lekh Raj, Director (Finance) (w.e.f. 13.04.2017).
 - Shri S.P.S. Bakshi, Chairman-cum-Managing Director (under suspension w.e.f. 20.03.2017).
 - Shri Vinoo Gopal, Director (Projects)(superannuated on 30.06.2018).
 - Shri Sushant Baliga, Part-Time Non-Official Director.
 - Smt. Anita Chaudhary, Part-Time Non-Official Director.
 - Smt. Sudha Venkata Vardhan, Company Secretary.
- iii) EPI Urban Infra Developers Limited (EPIUIDL) was incorporated as Subsidiary of EPIL on 19.05.2016. Initially Shri S.P.S. Bakshi (currently under suspension from EPI), Sh. Vinoo Gopal (superannuated from EPI and hence ceased as Part time Director on 30.6.2018) and Shri Sushant Baliga have been nominated as Part Time Directors. Board of Directors in its meeting held on 25.07.2017, nominated Shri N. Sivanand, who is holding additional charge of Chairman & Managing Director, EPI, as Part-time Director of the Board of EPIUIDL.

Shri Kapil Tara, ED(WRO), EPI (Currently under suspension from EPI) was nominated as Part Time CEO (KMP) and Smt. Sudha Venkata Vardhan, CS (EPI) has been nominated as Part Time CS in Subsidiary Company of Engineering Projects (India) Ltd.



Details of transactions with subsidiary Company.

(Amount in ₹)

Particulars	As on 31st March 2018	As on 31st March 2017	Nature
Opening Balance (Amount Recoverable) {A}	69,700	-	Debit
Reimbursement of Expenses on behalf of Subsidiary {B}	84,231	69,700	Debit
Amount Received from Subsidiary {C}	1,06,060	-	Credit
Closing Balance (Amount Recoverable) {D} [D = A + B - C]	47,871	69,700	Debit

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

During the year ending on 31st March 2018, no transaction was carried out between Engineering Projects (India) Ltd. & EPI-C&C JV. An advance of ₹ 4,49,586 was given to various parties for EPI portion of work which is included under “other advances” in note no. 2.16.

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

(Amount in ₹)

Particulars	2017-2018	2016-2017
Salary*	77,16,181	54,51,159
Contribution to provident fund	4,55,722	5,10,407
House rent	10,58,632	10,62,000
Medical Expenses	3,11,063	3,56,988
Sitting fees	4,40,000	5,25,000

- a) * Includes PRP payment of ₹ 5.96 lacs related to FY 2014-15 & 2015-16 paid in the year 2017-18. Also includes subsistence allowance paid to CMD under suspension.
- b) The Liability of ₹ 4,04,435 against the outstanding loans/advances taken by Shri Lekh Raj, Director (Finance) from NTPC (Shri Lekh Raj has Lien with NTPC) has been transferred to EPI against which ₹ 2,30,000 has been recovered from his salary during 2017-18. Balance amount to be recovered is ₹ 1,74,435 as on 31.03.2018.
- c) Shri Sivanand, CMD(Addl. Charge) is not employed in the company and no salary/allowances have been paid to him during the year 2017-18.



Note No. 2.33

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	Quantity (MT)	Value (₹)	Quantity (MT)	Value (₹)
CEMENT	376	18,62,625	163	9,62,962
STEEL	224	92,61,365	1,044	2,15,51,117
STEEL PIPES	26390 (RMT)	76,16,318	54023(RMT)	1,71,39,010

Note No. 2.34

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

Note No. 2.35

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

(Amount in ₹)

Particulars	Opening Balance	Provision made during the year	Paid/Adj. during the year	Provision written back	Closing Balance
(i)	(ii)	(iii)	(iv)	(v)	(vi)=(ii+iii-iv-v)
Project Contingencies*	29,86,04,263	4,13,01,295	-	41,81,001	33,57,24,557
Employee Benefits	32,89,73,260	10,87,66,550	6,13,31,597	-	37,64,08,213
Pay Revision (3rd PRC)	1,75,00,000	3,68,03,797	-	-	5,43,03,797
Total	64,50,77,523	18,68,71,642	6,13,31,597	41,81,001	76,64,36,567
Previous Year	67,68,92,942	17,84,30,026	19,78,45,956	1,23,99,489	64,50,77,523

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

In view of the claims of EPI upon UB Engineering Limited (UBEL) under consideration by the liquidator as per Hon'ble NCLT order, during the year a provision of ₹ 4 crore in addition to ₹ 8 crore provision made upto 31st March 2017 (total provision of ₹ 12 crore as on 31st March 2018) has been considered reasonable by the management in the present situation and provided for in the books of accounts, which has been included as above under project contingencies against the outstanding dues of ₹ 16 crore (net of payable).



Note No. 2.36

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 2018.

Note No.2.37

In accordance with provisions of Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average of its net profit from the immediately preceding three financial years on Corporate Social Responsibility (CSR). Gross amount required to be spent by the Company for CSR and Sustainability during the year is ₹ 1,81,000 (being amount carried forward from budgets of previous year). Actual Amount spent during the year is as under:

(Amount in ₹)			
Particulars	In Cash	Yet to be paid in Cash	Total
Construction/acquisition of any asset	-	-	-
On purposes other than (i) above	48,000	-	48,000

Note No. 2.38

Basic and diluted earnings per share are computed by dividing net profit after tax ₹ 13,53,896 (previous year ₹ 2,69,45,445) by 3,54,22,688 fully paid up equity share of ₹ 10 each.

	2017-18	2016-17
Basic and diluted earnings per share (₹)	0.04	0.76

Note No. 2.39

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

The 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.

In view of this during F.Y. 2016-17, 100% provision has been made against the investment of ₹ 5,10,000/- in subsidiary company.

Note No. 2.40

Central Bureau of Investigation (CBI) has registered 3 cases and filed FIRs against some employees of EPI out of which 2 cases have been registered during the year 2017-18 and 1 case in F.Y. 2016-17. The cases are in respect of alleged illegal gratification taken by the accused employees of EPI for award of



tenders. EPI is not named as party in the FIRs and no financial impact on its financial statements is envisaged.

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

Note No. 2.41

National Water Supply & Drainage Board (NWSDB), Srilanka (client) rejected HDPE pipes supplied by Chinese manufacturer/ supplier against the awarded project in Vavuniya water supply scheme to EPIL due to poor quality of pipes and asked EPIL to replace the same with good ones. EPIL released the payment to Chinese supplier, however EPIL in turn got its (around 96%) payment from NWSDB Srilanka as per terms of agreement. Claim of equivalent ₹ 18.78 crore has been lodged in Arbitration against the manufacturer on 31.10.2016. The arbitrator awarded the claim vide award dated 29.01.2018 in favour of EPIL for ₹ 17.25 crore (approximate) and now EPIL proceeded to Commercial High Court of Colombo for conversion of Arbitration into decree for invocation of same in China from Chinese manufacturer (Jiangsu Qianlong New Material Co Ltd.). Expected loss on account of replacement of rejected pipes of ₹ 3.98 crore (considering residual value of the pipes) have already been accounted for during the FY 2016-17 and further no loss is anticipated in this regard.

Note No. 2.42

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

Note No. 2.43

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

Note No. 2.44

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

For and on behalf of the Board of Directors

As per our report of even date attached

K.G. Somani & Co.

Chartered Accountants

Firm Registration No.-06591N

Sd/-
(CA B. Maheshwari)
Partner
Membership No. 088155
Place: New Delhi
Dated: 24th August 2018

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

Sd/-
(N. Sivanand)
Chairman & Managing Director
(Additional Charge)
DIN : 07852689

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

Sd/-
(Sudha V. Varadhan)
Company Secretary



INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To The Members of

Engineering Projects (India) Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Engineering Projects (India) Limited (**hereinafter referred to as "the Holding Company"**) and its subsidiary (the holding company and subsidiary together referred to as "the Group") and its jointly controlled entity, comprising of the consolidated Balance Sheet as at 31st March, 2018, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Jointly Controlled Entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group and of its Jointly Controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of



the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us subject to the matters stated in the below mentioned paragraph as "Other Matters", is sufficient and appropriate to provide a basis for our audit opinion on consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the unaudited financial statements of Subsidiary and Jointly controlled entity referred to below in paragraphs of "Other Matters" the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its Jointly controlled entity as at 31st March, 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters :-

1. In Northern Region, trade receivable unsecured considered good includes outstanding dues from Government departments, PSU and other clients amounting to Rs.1830.17 lakhs (Refer Note no-2.11) in respect of closed project, which are outstanding for more than three years, includes an amount of Rs. 1507.89 lakhs under litigation/arbitration/corporate insolvency. Further, in view of the claims of EPI upon UB Engineering Ltd under consideration by the liquidator as per Hon'ble NCLT, a provision of Rs.12 Crores has been made till 31st March 2018 including the Provision of Rs. 4 Crores made during the year against the outstanding dues of Rs. 16 Crores (Net of Payable) as at 31st March 2018. (Refer Note No.-2.35) In view of the Management, the balance outstanding has been considered as good and recoverable.
2. Attention is drawn to Accounting Policy No-1.10 on "Provision for Doubtful Debts/Loans and Advances"-Provision against Doubtful Debts/Loans and Advances for Net Receivable amount on project basis is made in case the dues are outstanding for more than 10 Years based on the



previous experience/progress/assessment of the matter by the management.

3. Balances of Trade receivables, loans & advances, client's advances, retention money, security deposit, Trade payables and other parties are subject to confirmation/ reconciliation. As explained to us, the company is mainly dealing with the government parties. In our opinion, process of getting confirmation needs to be strengthened. (Refer Note No-2.42)
4. Attention is invited to Note No-2.7, the company has created a provision of Rs.3,68,03,797 (Previous Year Rs. 1,75,00,000) on account of Pay Revision (3rd PRC) on estimated basis and the approval of administrative ministry is awaited in this respect.
5. Attention is invited to Note No-2.10 regarding the carried forward excess amount of Rs. 5,19,41,323 towards the foreign taxes paid over the Indian Tax Liability. As explained to us, since the assessment of F.Y.-2017-18 is yet to start hence the necessary adjustments in the books of account shall be made accordingly as and when the assessment is completed.
6. Attention is invited to Note No-2.40 which describes that Central Bureau of Investigation (CBI) has registered 3 cases and filed FIRs against some of the employees in respect of alleged illegal gratification taken by the accused employees for award of tenders. Investigation is still going on.

Our opinion is not qualified in respect of the above matters

Other Matters

a) We did not audit the financial statements/financial information of the following subsidiary and Jointly Controlled Entity, whose financial statements/financial information reflect the details given below of assets as at 31st March, 2018, Total revenue and Net Cash Flows for the year ended on that date to the extent to which they are reflected in the consolidated financial statements.

Name of the Entities	Assets (in Rs.)	Total Revenues (in Rs.)	Net Cash Flows (in Rs.)
Subsidiary			
EPI Urban Infra Developers Limited	6,15,601 (12,34,533)	- (-)	(-)3,84,284 (9,99,885)
Jointly Controlled Entity			
EPI-C&C Joint Venture* (Unincorporated)	-	-	-
Total	6,15,601 (12,34,533)	- (-)	(-)3,84,284 (9,99,885)

*Jointly Controlled entity formed on 2nd August, 2017.

Previous year figures given in bracket ().

These Financial statements/financial information are unaudited and have been *furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosure included in respect of these subsidiary and Jointly Controlled Entity*



and our reports in terms of subsection (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and Jointly controlled Entity, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the management, the financial statements/financial information are not material to the Group.

- b) The consolidated financial statements of the group include the Group's share of Net Loss of Rs.1,66,409 (Previous Year Loss of Rs.54,048) for the year ended 31st March, 2018, as considered in the consolidated financial statements in respect of Subsidiary EPI Urban Infra Developers Limited. The subsidiary company is non-operational since its incorporation dated 19th May, 2016 and as such the Net Loss has been shown in consolidated statement of Profit & Loss as "Loss from discontinuing operation". However, the holding company (EPIL) has fully provided for diminution in the value of investments in the subsidiary in its standalone financial statements.

(Refer Note No-2.39)

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the financial statements and other financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, *except for the possible effect of the matter described in "Other Matters" paragraph above*, we report to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditor.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Holding Company.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure-A"



- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us *except for the possible effect of the matter described in "Other matters" paragraph above* :
- i. The Consolidated financial statement disclose the impact of pending litigations on the consolidated financial position of the Group and its Jointly controlled entity. Refer Note no. 2.25 to the consolidated financial statements;
 - ii. Provision has been made in the Consolidated financial statement, as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Group and Jointly controlled entity.

**For K.G. Somani & Co.
Chartered Accountants
Firm's Regn. No.-06591N**

**Sd/-
(CA Bhuvnesh Maheshwari)
Partner
Membership No. 088155**

Place:New Delhi

Date: 24th August 2018



Annexure -A to the Independent Auditors' Report of Even Date on the Consolidated Financial Statements of Engineering Projects (India) Limited.

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

We have audited the internal financial controls over financial reporting of Engineering Projects (India) Limited ("the Holding Company") and its subsidiary company namely EPI Urban Infra Developers Ltd.(the holding and its subsidiary together referred to as "the Group") and its Jointly Controlled Entity (EPI C&C Joint Venture) as of March 31, 2018 in conjunction with our audit of the consolidated financial statements of the Group and its Jointly Controlled Entity for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary which are companies incorporated in India, *subject to the "Other Matter" paragraph given below*, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Holding company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". However, we noticed that

- a) Process of obtaining balance confirmation & balance reconciling with the parties needs certain improvement
- b) Coverage of the tendering process in internal audit needs improvement. There are three cases registered in respect of alleged illegal gratification taken by the accused employees for award of tenders. For detail refer to Point No-6 of EOM of Independent Audit Report on Consolidated Financial Statements & Note No-2.40 to the Consolidated Financial Statements.



- c) Access & Editing Rights for Books of Accounts of Projects /RO/CO is not clearly defined or documented.
- d) Process of recording of invoices in books and adjustment of advances, debit note, credit note from the running bills needs certain improvement.
- e) Backdated entries can be posted any time for the Financial Year before the conclusion of audit. SAP system needs further improvement.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act include the information of Holding Company in respect of the adequacy and operating effectiveness of the internal financial controls over financial reporting. It did not contain such information in respect of its Subsidiary and Jointly Controlled Entity, which are un-audited, their impact on the internal financial control on financial reporting of the Group and Jointly Controlled Entity is not material.

K.G. Somani & Co.
Chartered Accountants
Firm's Regn. No.-06591N

Sd/-
(CA Bhuvnesh Maheshwari)
Partner
Membership No. 088155

Place:New Delhi

Date: 24th August 2018



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

(Amount in ₹)

	Particulars	Note No.	As at 31st March, 2018		As at 31st March, 2017	
I.	EQUITY AND LIABILITIES					
1	Shareholders' Funds					
	a) Share Capital	2.1	35,42,26,880		35,42,26,880	
	b) Reserves and Surplus	2.2	1,95,27,36,036	2,30,69,62,916	1,95,15,58,549	2,30,57,85,429
2	Minority Interest			2,78,187		4,38,071
3	Non Current Liabilities					
	a) Other Long - Term Liabilities	2.3	4,07,40,44,815		4,69,77,27,097	
	b) Long - Term Provisions	2.4	27,45,41,026	4,34,85,85,841	29,48,24,002	4,99,25,51,099
4	Current Liabilities					
	a) Trade Payables	2.5				
	i) Due to MSME		57,61,885		-	
	ii) Due to Others		4,94,51,86,136		4,66,23,65,459	
	b) Other Current Liabilities	2.6	7,44,65,45,543		6,84,56,90,517	
	c) Short Term Provisions	2.7	26,22,42,097	12,65,97,35,661	16,07,57,912	11,66,88,13,888
	Total			19,31,55,62,605		18,96,75,88,487
II.	ASSETS					
1	Non current assets					
	a) Property Plant & Equipment	2.8(i)	8,98,72,952		9,42,19,531	
	b) Intangible Assets	2.8(ii)	60,40,573		52,10,057	
	c) Deferred Tax Assets (Net)	2.9	15,88,38,339		16,90,61,296	
	d) Long Term Loans and Advances	2.10	2,55,06,82,520		3,00,98,92,076	
	e) Other Non Current Assets	2.11	2,53,85,19,259	5,34,39,53,643	2,45,17,24,465	5,73,01,07,425
2	Current assets					
	a) Inventories	2.12	1,87,40,308		3,96,53,089	
	b) Trade Receivables	2.13	3,61,09,91,289		3,00,20,51,310	
	c) Cash and Bank Balances	2.14	3,92,25,43,774		2,97,35,77,960	
	d) Short Term Loans and Advances	2.15	3,05,86,86,197		3,46,31,53,869	
	e) Other Current Assets	2.16	3,36,06,47,394	13,97,16,08,962	3,75,90,44,834	13,23,74,81,062
	Total			19,31,55,62,605		18,96,75,88,487
	Significant Accounting Policies	1				
	Notes to accounts	2.1 to 2.45				

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

K.G. Somani & Co.

Chartered Accountants

Firm Registration No.-06591N

Sd/-

(CA B. Maheshwari)

Partner

Membership No. 088155

Place: New Delhi

Dated: 24th August 2018

Sd/-

(Lekh Raj)

Director (Finance)

DIN : 07794894

Sd/-

(N. Sivanand)

Chairman & Managing Director

(Additional Charge)

DIN : 07852689

Sd/-

(N.K. Sharma)

ED (Finance)

Sd/-

(Sudha V. Varadhan)

Company Secretary



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

Particulars		Note No.	Year ended 31st March 2018	Year ended 31st March 2017
I.	Revenue From Operations	2.17	16,07,40,98,507	16,30,38,04,479
II.	Other Income	2.18	15,26,79,188	33,83,69,218
III.	Total Income (I+II)		16,22,67,77,695	16,64,21,73,697
IV.	Expenses:			
	Operating Expenses	2.19	15,01,46,94,282	15,22,78,55,700
	Employee Remuneration and Benefits	2.20	78,52,15,766	77,70,62,564
	Finance Costs	2.21	4,85,70,364	6,14,25,675
	Depreciation & Amortisation Expenses	2.8(i&ii)	1,54,67,875	1,43,57,953
	Other Expenses	2.22	32,67,20,361	43,01,98,201
	Total Expenses		16,19,06,68,648	16,51,09,00,093
V.	Profit before exceptional and extraordinary items and tax (III-IV)		3,61,09,047	13,12,73,604
VI.	Exceptional Items		-	-
VII.	Profit before Extraordinary Items and Tax (V-VI)		3,61,09,047	13,12,73,604
VIII.	Extraordinary Items		-	-
IX.	Prior Period Expenses (Net)	2.23	1,89,87,494	8,95,90,113
X.	Profit/(Loss) Before Tax (VII-VIII-IX)		1,71,21,553	4,16,83,491
XI.	Tax Expense			
	Current Tax	2.10	1,13,50,000	6,29,06,269
	MAT Credit Entitlement		(28,80,365)	-
	Deferred Tax		1,02,22,957	(5,97,17,171)
	Tax for Earlier years		(29,14,935)	1,10,38,948
XII.	Profit/ (Loss) For the Year from Continuing Operations(X-XI)		13,43,896	2,74,55,445
XIII.	Profit/ (Loss) from discontinuing Operation.		(3,26,293)	(105,977)
XIV.	Tax Expense of Discontinuing Opetations		-	-
XV.	Profit/ (Loss) For the Year from Discontinuing Operations(XIII-XIV)		(3,26,293)	(105,977)
XVI.	Profit (Loss) for the Year Before share of Minority Interest (XII-XV)		10,17,603	2,73,49,468
XVII.	Share of Minority Interest in Profit/ (Loss) of Subsidiary		(1,59,884)	(51,929)
XVIII.	Net Profit/ (Loss) for the Year After the Share of Minority Interest (XVI-XVII)		11,77,487	2,74,01,397
XIX.	Earnings Per Share (Basic & Diluted)	2.38	0.03	0.77
	Significant Accounting Policies	1		
	Notes to Accounts	2.1 to 2.45		

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

K.G. Somani & Co.

Chartered Accountants

Firm Registration No.-06591N

Sd/-

(Lekh Raj)

Director (Finance)

DIN : 07794894

Sd/-

(N. Sivanand)

Chairman & Managing Director

(Additional Charge)

DIN : 07852689

Sd/-

(CA B. Maheshwari)

Partner

Membership No. 088155

Place: New Delhi

Dated: 24th August 2018

Sd/-

(N.K. Sharma)

ED (Finance)

Sd/-

(Sudha V. Varadhan)

Company Secretary



CONSOLIDATED-CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Cash Flow From Operating Activities		
Net Profit Before Tax From Continuing Operations	1,71,21,553	4,16,83,491
Adjustment For Profit / (Loss) In Discontinuing Operations	(3,26,293)	(1,05,977)
Net Profit Before Tax After Adjusting Discontinuing Operations	1,67,95,260	4,15,77,514
Adjustments For:		
- Depreciation And Amortization	1,57,02,523	1,44,16,615
- Loss/(Profit) On Sale Of Assets (Net)	1,09,501	24,67,767
- Interest On FDs	(1,28,72,589)	(6,54,10,713)
Effect Of Exchange Differences On Translation Of Foreign Currency		
- Cash & Cash Equivalents		
Operating Profit Before Working Capital Changes	1,97,34,695	(69,48,817)
- Decrease/(Increase) In Inventories	2,09,12,781	4,58,86,480
- Decrease/(Increase) In Unbilled Revenue	27,98,25,041	91,97,67,817
- Decrease/(Increase) In Sundry Debtors	(68,55,11,814)	(1,51,47,21,470)
- Decrease/(Increase) In FDs Under Lien	3,96,84,440	(19,51,993)
- Decrease/(Increase) In Loans & Advances	83,45,36,889	(1,78,85,85,000)
- Increase/(Decrease) In Current Liabilities & Provisions	52,43,31,980	2,35,67,99,141
Cash Generated From Operations	1,03,35,14,011	1,02,46,158
- Income Tax	(1,57,77,657)	(6,50,02,344)
Net Cash From Operating Activities	1,01,77,36,354	(5,47,56,186)
Cash Flows From Investing Activities		
- Purchase/Construction of Fixed Assets	(1,21,72,954)	(1,66,72,583)
- Proceeds From Sale of Assets	1,11,640	37,884
- Interest Income	(1,70,24,787)	10,69,54,280
Net Cash From Investing Activities	(2,90,86,101)	9,03,19,581
Cash Flow From Financing Activities		
- Dividend Paid	-	(10,71,54,689)
- Dividend Tax Paid	-	(2,23,11,061)
Net Cash Used In Financing Activities	-	(12,94,65,750)
Effect Of Exchange Differences On Translation Of Foreign Currency		
- Cash & Cash Equivalents		
Net (Decrease)/Increase In Cash And Cash Equivalents	98,86,50,253	(9,39,02,355)
Cash And Cash Equivalents At The Beginning Of The Year	2,90,66,33,688	3,00,10,46,043
Cash And Cash Equivalents At The End Of The Year	3,89,52,83,941	2,90,66,33,688
Reconciliation Of Cash And Cash Equivalents		
Cash In Hand (Refer Note No 2.14)	2,00,309	31,967
Cheques In Hand (Refer Note No 2.14)	-	-
Remittance In Transit	-	-
Balance With Bank's In Current Accounts (Refer Note No 2.14)	99,06,73,547	51,00,14,199
Balance With Bank's Fixed Deposits (Refer Note No 2.14)	2,90,44,10,085	2,39,65,87,522
Cash And Cash Equivalent	3,89,52,83,941	2,90,66,33,688
Add: Balance In Bank's Fixed Deposits (Pledged)	2,72,59,833	6,69,44,272
Cash And Cash Equivalents At The End Of The Year	3,92,25,43,774	2,97,35,77,960

NOTE:

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

As per our report of even date attached

K.G. Somani & Co.
Chartered Accountants
Firm Registration No.-06591N

Sd/-
(CA B. Maheshwari)
Partner
Membership No. 088155
Place: New Delhi
Dated: 24th August 2018

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

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

For and on behalf of the Board of Directors

Sd/-
(N. Sivanand)
Chairman & Managing Director
(Additional Charge)
DIN : 07852689

Sd/-
(Sudha V. Varadhan)
Company Secretary



Notes to Consolidated Financial Statement:- (For the year ended 31st March 2018)

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



- c) In case of projects foreclosed/terminated, revenue is recognised only to the extent of contract value of which recovery is probable.
- d) Revenue from consultancy services is recognised on proportionate completion method. In respect of cases where ultimate collection with reasonable certainty is lacking at the time of claim, recognition is postponed till collection is made.
- e) In case of contracts where the contract costs exceed the contract revenues, anticipated loss is recognised immediately.
- f) Escalation and extra works not provided for in the contract with client, claims arising out of arbitration awards and insurance claims are accounted for on receipt basis.
- g) Liquidated damages arising from contractual obligations in respect of contracts under dispute/negotiation and not considered payable/receivable are not accounted for till final settlement.
- h) The contract is considered as closed for accounting purposes upon final billing, commissioning certificate, commercial run, foreclosure and/or termination whichever is earlier.
- i) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- j) Revenue from rent is recognized on accrual basis, based on the lease agreements with the tenants except where the ultimate collection is considered doubtful.

4. Inventory

(i) Materials

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

(ii) Work in Progress

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



5. Foreign exchange transactions

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

- i) Revenue items (income and expenditure) are translated into Indian currency on the basis of average of buying rate prevalent on the last working day of each month of the relevant financial year.
- ii) Property, Plant and Equipment and non-monetary items are translated at the buying rate at the date of transaction.
- iii) Depreciation is translated at the rates used for the translation of the value of the assets on which depreciation is calculated.
- iv) Inventories are translated at the buying rates prevalent at each balance sheet date.
- v) Monetary items (assets and liabilities) and contingent liabilities are translated at the prevailing closing buying rate at each balance sheet date.

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

6. Property, Plant and Equipment

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

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

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

7. Depreciation

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



S.No.	Description of Assets	Rate of Depreciation
1	Building (Other than factory Building) RCC frame structure (NESD)	1.58%
2	Others Temporary Construction (Including temporary structure etc.) (NESD)	31.67%
3	Plant and Machinery used in civil construction	
3(a)(i)	Concreting, Crushing, Piling equipment and Road Making Machine	7.92%
3(a)(ii)(a)	Cranes with capacity of more than 100 tons	4.75%
3(a)(ii)(b)	Cranes with capacity of less than 100 tons	6.33%
3(a)(iii)	Earth moving equipments	10.56%
3(a)(iv)	Others including material handling/ Pipeline/welding equipments(NESD)	7.92%
4	General Furniture and Fixture (NESD)	9.50%
5	Office Equipments (NESD)	19%
6	Computers and data processing units (NESD)	
6(a)	Server and Network	15.83%
6(b)	End user devices such as Desktop, Laptop, Software including user licence fee, other intangible assets etc.	31.67%
7	Motor Vehicles (NESD)	
7(a)	Motorcycles, Scooters & Other Mopeds	9.50%
7(b)	Motor Buses, Motor Lorries and Motor Cars other than used in business of running them on hire	11.88%

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

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

8. Employee benefits

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



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

9. Provisions, contingent liabilities and contingent assets

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

10. Provision for Doubtful Debts/ Loans and Advances

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

11. Segment Reporting

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

12. Impairment of assets

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



13. Taxation

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

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

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

14. Leases

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

15. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

16. Prior Period Items and Prepaid Expenses

Expenditure/income relating to prior period and prepaid expenses not exceeding ₹ 50,000/- in each case are treated as expenditure/income of the current year.



Note No. 2.1

(Amount in ₹)

Share Capital	As at 31st March 2018	As at 31st March 2017
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)	9,09,40,46,000	9,09,40,46,000
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)	35,42,26,880	35,42,26,880
Total	35,42,26,880	35,42,26,880

Note 2.1 A

Reconciliation of No. of Shares Outstanding	As at 31st March 2018	As at 31st March 2017
	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 2018		As at 31st March 2017	
	No. of Shares	% age Holding	No. of Shares	% age Holding
The President of India	3,54,15,677	99.98	3,54,15,677	99.98



Note No. 2.2

(Amount in ₹)

Reserve & Surplus	As at 31st March 2018	As at 31st March 2017
A) Capital Reserve		
Balance as at the beginning and end of the year	2,10,020	2,10,020
B) General Reserve		
Balance as at the beginning of the year	21,15,00,000	21,15,00,000
Add: Addition during the year	-	-
Balance as at the end of the year	21,15,00,000	21,15,00,000
C) Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	1,73,98,48,529	1,71,24,47,132
Add: Profit/(Loss) for the year	11,77,487	2,74,01,397
Less: Dividend Paid*	-	-
Less: Dividend Distribution Tax*	-	-
Balance as at the end of the year	1,74,10,26,016	1,73,98,48,529
Total (A+B+C)	1,95,15,58,549	1,95,15,58,549

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

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

As has been discussed with DIPAM, they have approved the exemption from payment of dividend for the FY 2016-17 and for the FY 2017-18 it is in the process of approval.



Note No. 2.3

(Amount in ₹)

Other Long Term Liabilities	As at 31st March 2018	As at 31st March 2017
Trade Payables		
- Micro, Small & Medium Enterprises *	-	-
- Others	1,03,93,53,069	1,04,25,71,767
Other Liabilities		
- Security Deposits & Retention Money #	2,16,46,49,278	1,91,86,72,232
-Advance Received from Clients	83,91,54,599	1,72,41,29,572
- Other Payable to Clients	3,08,87,869	1,23,53,526
Total	4,07,40,44,815	4,69,77,27,097

* 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 ₹ 10.06 crore received by EPIL in lieu of BG provided by EPIL for ₹ 45.54 crore on behalf of C&C Constructions Limited in Myanmar Project and balance is secured against work done in Oman.

Note No. 2.4

(Amount in ₹)

Long Term Provisions	As at 31st March 2018	As at 31st March 2017
Employee Benefits		
-Leave Encashment	10,79,13,131	11,54,89,137
-Long Service Award	23,82,554	40,02,326
-Post Retirement Medical Benefits	16,39,97,811	17,46,78,634
-Post Retirement Travelling Allowance	2,47,530	6,53,905
Total	27,45,41,026	29,48,24,002



Note No. 2.5

(Amount in ₹)

Trade Payables	As at 31st March 2018	As at 31st March 2018
Trade Payables		
- Micro, Small & Medium Enterprises *	57,61,885	-
- Others	4,94,51,86,136	4,66,23,65,459
Total	4,95,09,48,021	4,66,23,65,459

*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. 2.6

(Amount in ₹)

Other Current Liabilities	As at 31st March 2018	As at 31st March 2017
Advance From Clients	4,93,34,36,805	4,33,74,32,687
Security, Retention & Earnest Money Payable	1,28,24,61,874	1,46,14,15,056
Outstanding Liabilities \$	4,47,82,826	13,63,87,675
Other Payable to Clients	9,19,82,646	8,37,83,891
Advance Revenue for Works	79,09,83,769	61,35,86,476
Payable to Employees *	1,16,57,987	3,45,92,495
Statutory Liabilities	29,12,39,636	17,84,92,237
Total	7,44,65,45,543	6,84,56,90,517

* During the year ended on 31.03.2018 an amount of ₹ 44,64,159 (previous year ₹ 2,99,83,663) related to Performance Related Pay is pending for release to certain employees.

\$ Includes ₹ Nil (previous year ₹ 2,70,810) related to Subsidiary Company EPI Urban Infra Developers Limited and ₹ 10000 (previous year Nil) related to EPI C&C JV.



Note No. 2.7

(Amount in ₹)

Short Term Provisions	As at 31st March 2018	As at 31st March 31st March 2017
Provision for Expected Loss (As per AS-7)	4,56,60,155	9,58,63,976
Provision for Income Tax (Foreign)	6,04,10,958	1,32,44,678
Provision for Pay Revision (3rd PRC)#	5,43,03,797	1,75,00,000
Employee Benefits		
-Leave Encashment	2,12,73,786	1,92,34,310
-Gratuity	6,78,02,518	43,26,234
-Long Service Award	6,83,721	4,85,214
-Post Retirement Medical Benefits	1,20,57,814	99,72,800
-Post Retirement Travelling Allowance	49,348	1,30,700
Total	26,22,42,097	16,07,57,912

Pursuant to the guidelines regarding pay revision (3rd PRC) w.e.f. 01.01.2017 provision of ₹ 3,68,03,797 (previous year ₹ 1,75,00,000) has been made in the books of accounts during 2017-18 subject to approval of Administrative Ministry on the estimated basis. The cumulative provision as at 31.03.2018 is ₹ 5,43,03,797 (₹ 1,75,00,000 as on 31.03.2017).



Note No. 2.8 (i)
Property Plant & Equipments as on 31.03.2018

(Amount in ₹)

DESCRIPTION	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		
	OPENING BALANCE	ADDITIONS	SALE/WRITTEN OFF	TOTAL	OPENING BALANCE	FOR THE YEAR	SALE/WRITTEN OFF	TOTAL	As at 31st March 2018	As at 31st March 2017
PROPERTY PLANT & EQUIPMENT										
LAND FREEHOLD	-	-	-	-	-	-	-	-	-	-
LAND LEASEHOLD	16,15,856	-	-	16,15,856	2,99,470	16,322	-	3,15,792	13,00,064	13,16,386
BUILDING FREEHOLD	46,87,325	-	-	46,87,325	25,76,808	1,09,118	-	26,85,926	20,01,399	21,10,517
BUILDING LEASEHOLD*	6,67,12,979	-	-	6,67,12,979	2,39,24,739	12,76,931	-	2,52,01,670	4,15,11,309	4,27,88,240
COMPUTER AND EQUIPMENTS	4,65,65,927	32,31,422	11,96,497	4,86,00,852	3,89,16,887	32,12,854	11,19,785	4,10,09,956	75,90,896	76,49,040
OFFICE AND OTHER EQUIPMENTS	2,39,46,198	18,96,022	7,82,495	2,50,59,725	1,68,64,034	29,96,742	7,46,947	1,91,13,829	59,45,896	70,82,164
CONSTRUCTION EQUIPMENTS	6,41,37,221	-	14,96,577	6,26,40,644	4,44,95,807	18,58,776	14,21,748	4,49,32,835	1,77,07,809	1,96,41,414
FURNITURES & FIXTURES	2,50,21,481	28,13,179	6,14,965	2,72,19,695	1,48,90,585	19,52,170	5,94,596	1,62,48,159	1,09,71,536	1,01,30,896
VEHICLES	74,21,984	-	-	74,21,984	39,21,110	6,56,831	-	45,77,941	28,44,043	35,00,874
TOTAL	24,01,08,971	79,40,623	40,90,534	24,39,59,060	14,58,89,440	1,20,79,744	38,83,076	15,40,86,108	8,98,72,952	9,42,19,531
PREVIOUS YEAR	23,01,65,832	1,53,55,551	54,12,412	24,01,08,971	13,69,79,361	1,18,19,061	29,08,982	14,58,89,440	9,42,19,531	-

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

Note No. 2.8 (ii)
Intangible assets as at 31.03.2018

(Amount in ₹)

DESCRIPTION	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		
	OPENING BALANCE	ADDITIONS	SALE/WRITTEN OFF	TOTAL	OPENING BALANCE	FOR THE YEAR	SALE/WRITTEN OFF	TOTAL	As at 31st March 2018	As at 31st March 2017
INTANGIBLE ASSETS										
SOFTWARES (ACQUIRED)	1,38,03,752	42,32,331	2,39,926	1,77,96,157	85,93,695	33,88,131	2,26,242	1,17,55,584	60,40,573	52,10,057
TOTAL	1,38,03,752	42,32,331	2,39,926	1,77,96,157	85,93,695	33,88,131	2,26,242	1,17,55,584	60,40,573	52,10,057
PREVIOUS YEAR	1,25,31,167	13,17,032	44,447	1,38,03,752	60,97,026	25,38,892	42,223	85,93,695	52,10,057	-



Note No. 2.9

(Amount in ₹)

Deferred Tax Assets (Net)*	As at 31st March 2018	As at 31st March 2017
Depreciation on Fixed Assets	(83,36,100)	(95,88,486)
Provision for Doubtful Debts	11,20,78,286	10,33,40,963
Provision for Employee Benefits (AS-15)	3,98,46,958	4,20,99,368
Other Disallowances	1,52,49,195	3,32,09,451
Total	15,88,38,339	16,90,61,296

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

Note No. 2.10

(Amount in ₹)

Long term Loans and Advances	As at 31st March 2018	As at 31st March 2017
(Unsecured, Considered Good Unless Stated Otherwise)		
Advance for Works:		
-Mobilization Advance Secured Against BG	43,65,66,985	1,24,31,73,537
-Secured against Material	-	44,44,549
-Other Advances	16,25,33,540	20,38,33,502
Other Advances Considered Doubtful	5,78,80,446	5,83,84,248
	65,69,80,971	1,50,98,35,836
Less: Allowance for Bad & Doubtful Advances	5,78,80,446	5,83,84,248
Staff Loans & Advances	23,31,230	31,37,853
Security & Retention Money	1,45,86,25,096	1,25,15,70,949
Considered Doubtful	8,85,31,569	8,85,31,569
	1,54,71,56,665	1,34,01,02,518
Less: Allowance for Bad & Doubtful Recoveries	8,85,31,569	8,85,31,569
Advance Tax /TDS Recoverable	55,76,75,160	47,93,86,274
Less: Provision for Income Tax	26,97,98,903	26,98,33,473
Advance Tax (Foreign)#	5,19,41,323	
MAT Credit (A.Y. 2018-19)	28,80,365	
Indirect Tax (Recoverable, Input Tax Credit, Advance)	14,79,27,724	9,41,78,885
Total	2,55,06,82,520	3,00,98,92,076

As per the provisions of the Income Tax Act, 1961, the income tax payable for the FY 2017-18 is higher of Rs. 84,69,635/- (tax payable as per normal provisions of the said Act) or Rs. 1,13,46,872/- rounded off to Rs. 1,13,50,000/- (tax payable under Minimum Alternate Tax i.e. section 115JB). The excess of tax liability under MAT over the tax liability under the normal provisions amounting to Rs. 28,80,365/- is shown as MAT Credit (A.Y. 2018-19).

Further, the credit of taxes paid in Oman & Sri Lanka amounting to Rs. 6,04,10,958/- shall be restricted to the Income Tax Payable as per the normal provisions of the Act i.e. Rs. 84,69,635/- and the balance is shown under Advance Tax (Foreign) i.e. Rs. 5,19,41,323/-. However since the assessment for the said year before the Income Tax Authorities is yet to start therefore the necessary adjustment in the books of account shall be made accordingly as and when the assessment is completed.



Note No. 2.11

(Amount in ₹)

Other Non Current Assets	As at 31st March 2018	As at 31st March 2017
Trade Receivables		
Unsecured Considered Good	63,44,11,595	59,87,67,976
Considered Doubtful	6,99,39,383	6,86,38,088
	70,43,50,978	66,74,06,064
Less: Allowance for Bad & Doubtful Recoveries	6,99,39,383	6,86,38,088
Other Assets		
Recoverable from Clients Vendors & Others	1,90,41,07,664	1,85,29,56,489
Considered Doubtful	11,93,73,159	8,30,50,357
	2,02,34,80,823	1,93,60,06,846
Less: Allowance for Bad & Doubtful Recoveries	11,93,73,159	8,30,50,357
	1,90,41,07,664	1,85,29,56,489
Total	2,53,85,19,259	2,45,17,24,465

Note No. 2.12

(Amount in ₹)

Inventories	As at 31st March 2018	As at 31st March 2017
Materials: (Lower of Cost or NRV)		
-Steel	92,61,365	2,15,51,117
-Cement	18,62,625	9,62,962
-Pipes & Others	76,16,318	1,71,39,010
Total	1,87,40,308	3,96,53,089



Note No. 2.13

(Amount in ₹)

Trade Receivables	As at 31st March 2018	As at 31st March 2017
Trade Receivables		
Unsecured Considered Good Outstanding For:-		
- Less Than Six Months	3,51,75,00,639	2,83,91,31,647
- More Than Six Months	9,34,90,650	16,29,19,663
Considered Doubtful	-	-
	3,61,09,91,289	3,00,20,51,310
Less: Allowance for Bad & Doubtful Recoveries	-	-
Total	3,61,09,91,289	3,00,20,51,310

Note No. 2.14

(Amount in ₹)

Cash and Bank Balances	As at 31st March 2018	As at 31st March 2017
Cash & Cash Equivalents		
Cash In Hand	2,00,309	31,967
Balances With Banks		
-In Current Accounts*§	99,06,73,547	51,00,14,199
-Fixed Deposit (With Maturity Upto 3 Months)**	2,52,07,24,210	2,02,64,19,948
Other Bank Balances		
Fixed Deposits # (Pledged Against Margin Money/Earnest Money)	2,72,59,833	6,69,44,272
Fixed Deposit ** (With Maturity More Than 3 Months but less than 12 months)	38,36,85,875	37,01,67,574
Total	3,92,25,43,774	2,97,35,77,960

*Out of the above Balance in Current Account ₹ 49,98,89,671 (previous year ₹ 34,37,40,648) is held as deposit on behalf of client.

**Out of the above Balance in Fixed Deposits ₹ 275,29,18,432 (previous year ₹ 194,23,94,564) is held as deposit on behalf of client.

As on 31.03.2018 Company has pledged fixed deposits amounting to ₹ 2,72,59,833 (Previous year ₹ 6,69,44,272) with clients/others on account of earnest money deposit/security deposit out of which fixed deposit of ₹ 58,29,633 submitted to Client is under dispute, matter is sub-judice

§ Includes ₹ 6,15,601 (previous year ₹ 9,99,885) related to Subsidiary Company EPI Urban Infra Developers Limited



Note No. 2.15

(Amount in ₹)

Short Term Loan & Advances	As at 31st March 2018		As at 31st March 2017	
(Unsecured Considered Good Unless Stated Otherwise)				
Advance for Works:				
-Mobilization Advance Secured Against BG	1,61,87,28,799		1,90,40,95,623	
-Secured Against Material	13,32,90,238		12,44,26,959	
-Other Advances	6,98,32,289	1,82,18,51,326	5,31,36,907	2,08,16,59,489
Indirect Tax (Recoverable Input Tax Credit Advance)		46,54,97,580		26,21,26,376
Staff Loans & Advances*		36,51,806		32,69,173
Security Retention & Earnest Money Receivable		76,76,85,485		1,11,60,98,831
Total		3,05,86,86,197		3,46,31,53,869

*Refer Note No. 2.32 (v) (b)

Note No. 2.16

(Amount in ₹)

Other Current Assets	As at 31st March 2018	As at 31st March 2017
Interest Accrued but not due on Bank Deposits	3,93,16,143	94,18,768
Prepaid Expenses	8,72,67,847	7,32,13,816
Recoverable from Clients, Vendors & Others	1,10,21,34,755	1,26,44,23,912
Unbilled Revenue	2,13,19,28,649	2,41,17,53,690
Preliminary Exp.*	-	2,34,648
Total	3,36,06,47,394	3,75,90,44,834

* Includes ₹ Nil (previous year ₹ 2,34,648) related to Subsidiary Company EPI Urban Infra Developers Limited

Note No. 2.17

(Amount in ₹)

Revenue From Operations	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Value of Work Done	16,07,14,39,585	16,25,89,66,185
Other Operating Income	26,58,922	4,48,38,294
Total	16,07,40,98,507	16,30,38,04,479



Note No. 2.18

(Amount in ₹)

Other Income	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Interest Income earned on Deposits with Bank	1,28,72,589	6,54,10,714
Staff Advances	2,26,098	2,82,688
Other (Sub Contractor/Clients /I.T. Refund)	6,12,87,080	18,62,84,738
	7,43,85,767	25,19,78,140
Other non-Operating Income		
Unspent Liabilities/ Balances Written Back	84,73,850	6,63,05,184
Miscellaneous Income	1,99,51,449	2,00,85,894
Reversal of Provision for Expected Loss as per AS-7	4,98,68,122	-
	7,82,93,421	8,63,91,078
Total	15,26,79,188	33,83,69,218

Note No. 2.19

(Amount in ₹)

Operating Expenses	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Civil Mechanical Electrical Works	14,89,50,69,195	14,88,32,47,368
Design & Consultancy Charges	5,84,23,775	14,04,44,790
Other Direct Expenditure	5,86,83,273	7,84,46,674
Provision for Expected Loss (As per AS-7)	-	9,58,63,976
Claims Paid	20,56,189	2,71,73,521
Royalty	4,61,850	26,79,371
Total	15,01,46,94,282	15,22,78,55,700



Note No. 2.20

(Amount in ₹)

Employee Remuneration and Benefits	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Salary & Allowances #	59,48,62,128	60,49,18,444
Contribution to Provident & Gratuity Funds \$	10,85,60,788	4,75,71,130
Staff Welfare Expenses *	8,17,92,850	12,45,72,990
Total	78,52,15,766	77,70,62,564

Salary & Allowances includes a provision of ₹ 3,68,03,797 (previous year ₹ 1,75,00,000) created on account of Pay Revision (3rd PRC)

\$ Includes an amount of ₹ 45,915 (previous year ₹ 14,30,860) on account of interest shortfall of Provident Fund Trust and ₹ 36,849 other recoverable pertaining to earlier period which has been compensated and charged.

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

Note No. 2.21

(Amount in ₹)

Finance Cost	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Interest Paid to:		
- Bank	39,82,232	1,98,71,793
- Others	4,45,88,132	4,15,53,882
Total	4,85,70,364	6,14,25,675



Note No. 2.22

(Amount in ₹)

Other Expenses	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Printing & Stationery	84,34,043	1,08,98,123
Rates & Taxes	59,01,778	38,41,368
Postage & Telecommunication	1,34,97,727	1,73,88,224
Repair & Maintenance		
Office	3,53,68,297	3,29,28,842
Building	14,63,237	11,60,682
Other Fixed Assets	1,07,577	2,75,298
Water Power & Fuel charges	1,15,97,149	1,54,02,955
Tendering Expenses	14,75,897	18,94,626
Advertisement & Publicity	67,36,146	93,97,251
Legal & Professional Charges	3,11,38,705	1,97,86,893
Advisors On Contract	50,51,458	2,28,33,111
Insurance	41,08,134	28,79,050
Entertainment	14,61,336	27,35,340
Bank Charges	1,31,21,324	1,43,30,829
Vehicle Running & Maintenance	26,79,674	40,53,412
Manpower Development	1,38,182	6,29,208
Loss by Fire	-	24,56,354
Loss on sale of Fixed Assets	1,09,501	11,412
Sponsorship Fee	1,15,000	4,19,550
Travelling & Other Incidental Expenses (Domestic) \$	6,75,27,190	8,15,38,624
Travelling & Other Incidental Expenses (Foreign)	46,16,831	49,04,647
CSR & Sustainability *	48,000	16,74,900
Auditor's Remuneration @	16,75,163	18,32,339
Business Promotion	4,99,03,818	1,19,88,445
Office Rent #	1,14,19,024	1,08,91,270
Computer Expenses	41,87,130	28,45,894
Membership & Subscription Fee	3,07,762	6,75,490
Filing & Registration Fee	37,555	3,51,688
Provision for Doubtful Debts Loans & Advances & Others	4,13,01,295	8,00,00,000
Amounts Written off for Doubtful Recovery	29,46,497	5,20,52,059
Foreign Exchange Variation (Gain)/ Loss	(1,11,33,710)	81,94,404
Miscellaneous Expenses	1,13,78,641	99,25,913
Total	32,67,20,361	43,01,98,201

\$ Travelling and other incidental expenses includes ₹ 80,62,540 towards site living hardship expenses (previous year ₹ 99,73,325) and travelling expenses of directors ₹ 21,17,309 (previous year ₹ 25,41,656).

* In accordance with provisions of Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average of its net profit from the immediately preceding three financial years on Corporate Social Responsibility (CSR). Gross amount required to be spent by the Company for CSR and Sustainability during the year is ₹ 1,81,000 (being amount carried forward from budgets of previous year). Actual Amount spent during the year is ₹ 48,000 for the purpose other than construction/ acquisition of any assets.

Lease rental expenses under the cancellable operating leases amounting to ₹ 1,14,19,024 (previous year ₹ 1,08,91,270) for the year has been charged.



@ Details in respect of payment to auditors:

(Amount in ₹)

Auditors' Remuneration#	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Audit Fee *	12,69,375	14,19,108
Tax Audit	2,93,088	3,32,981
Other Services (Certification fee)	1,02,600	17,250
Other Expenses	10,100	63,000
Total	16,75,163	18,32,339

Excluding GST (P.Y. figures are inclusive of Service Tax)

* Includes ₹10,000 (previous year ₹ NIL) related to EPI-C&C JV

Note No. 2.23

(Amount in ₹)

Prior Period Adjustments (Net)	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Income		
Operating Income	-	(8,92,62,864)
Other Income	-	14,03,508
Less: Expenses		
Operating Expenses	1,66,92,000	1,42,140
Employee Remuneration and Benefits	-	-
Depreciation	-	-
Others	22,95,494	15,88,617
Total	(1,89,87,494)	(8,95,90,113)

Note No. 2.24

- (A) Basis of preparation of Accounts
- i) The consolidated financial statements of the group are prepared under the historical cost convention and in accordance with applicable Accounting Standards in India. The financial statements adhere to the relevant presentational requirement of the Companies Act, 2013 and other applicable laws.
 - ii) The financial statements of the company and the subsidiary is combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balance/transactions in full as per Accounting Standard-21 on Consolidated Financial Statements.
 - iii) Minority Interest's share of net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders. Minority Interest's share of net profit/ (loss) of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
 - iv) The consolidated financial statements includes the interest of the Company in Joint Venture, which has been accounted for using the proportionate consolidation method of accounting



and reporting whereby the Company's share of each assets, liability, income and expenses of a jointly controlled entity is considered as a separate line item as per AS-27- Financial reporting of interest in joint venture.

- v) Minority interest in the net assets of consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders.

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

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

Sr. No.	Name of Subsidiary/ Joint Venture*	Relationship	Percentage of ownership interest		Share of Subsidiary and Jointly Controlled Entity Profit/(Loss) included in Consolidated Statement of Profit and Loss Account (Amount in ₹)	
			As at 31.03.2018	As at 31.03.2017	For the year ended 31.03.2018	For the year ended 31.03.2017
1.	EPI Urban Infra Developers Limited	Subsidiary	51%	51%	(1,66,409)	(54,048)
2.	EPI-C&C JV (Unincorporated)	Joint Venture	-#	-	(10,000)	-

* Unaudited financial statements of subsidiary Company/ Joint Venture are considered in the consolidated financial statements of the Group.

There is no investment in Joint Venture however the profit/ loss sharing ratio is 40% in respect of the project undertaken with joint venture (EPI-C&C JV).

Note No. 2.25

(Amount in ₹)

	Contingent Liabilities	As at 31.03.18	As at 31.03.17
1	In respect of legal and Arbitration:		
a	Claims pending for adjudication amount thereof has been taken wherever quantified or reasonably ascertainable*	3,40,41,18,879	2,82,72,18,879
b	In respect of cases where awards are published in favour of company but defendants have gone to appeal.*	18,33,39,791	18,33,39,791
2	In respect of Income Tax/ Sales Tax / Works Contract Tax/ Service Tax demand in respect of completed assessments under dispute/appeals	47,85,53,255	41,76,35,124

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



Note No. 2.26

Estimated amount of contracts remaining to be executed on Development of Intangible Asset and not provided for ₹ 64,05,196 (previous year ₹ 98,33,923) on account of implementation of ERP and amount of ₹ 21,80,159 has been capitalised during 2017-18 in this respect.

Note No. 2.27

Expenditure in Foreign Currency:

(Amount in ₹)

Sl.No.	Particulars	Year ended 31.03.18	Year ended 31.03.17
1	Operational Expenditure	7,38,58,20,302	5,19,20,37,224
2	Professional & Consultancy Charges	1,56,89,866	3,24,99,613
3	Foreign Exchange Fluctuation Loss	77,779	80,26,085
4	Purchase of Fixed Assets	2,00,991	4,60,327
5	Administrative & Other Expenses		
a	Travel	1,12,29,660	1,24,31,158
b	Tendering Expenses	38,916	-
c	Others	5,14,23,150	6,23,24,255
	TOTAL	7,46,44,80,664	5,30,77,78,662

Earning in foreign currency:

Sl.No.	Particulars	Year ended 31.03.18	Year ended 31.03.17
1	Work Receipts	7,95,44,96,532	5,50,97,22,070
2	Interest Income	6,74,734	1,54,25,660
3	Foreign Exchange Fluctuation Gain	1,07,21,332	-
4	Others	40,15,006	2,48,349
	TOTAL	7,96,99,07,604	5,52,53,96,078

Foreign exchange remitted from Oman ₹ 43,01,98,234 equivalent USD 66,90,000 during the financial year 2017-18 (previous year ₹ 4,66,05,473 equivalent USD 700,000).

Note No. 2.28

- Company has availed non fund based credit limits of ₹ 713,75,06,067 (Previous year ₹ 6,90,40,20,131) from banks without any security. This includes ₹ 75.90 crore towards project to be executed in Myanmar by EPI-C&C JV, which includes ₹ 45.54 crore towards bank guarantee issued on behalf of its lead partner i.e. C&C Constructions Limited and ₹ 30.36 crore on its own behalf.
- In lieu of BG provided by EPIL for ₹ 45.54 crore on behalf of C&C Constructions Limited in Myanmar Project, EPIL has received ₹ 10.06 crore and balance is secured against work done in Oman.



Note No. 2.29

Disclosure as per AS-17

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

Primary Segment Information (Geographic)

(Amount in ₹)

Particulars	Current Year				Previous Year			
	Domestic	Foreign	Un-allocated	Total	Domestic	Foreign	Un-allocated	Total
Type of Business	Construction				Construction			
Revenue from Operation	8,11,96,01,975	7,95,44,96,532	-	16,07,40,98,507	10,79,40,82,409	5,50,97,22,070	-	16,30,38,04,479
Other Income	13,45,89,467	46,89,740	1,33,99,981	15,26,79,188	26,80,61,285	1,56,74,009	5,46,33,924	33,83,69,218
Total Income	8,25,41,91,442	7,95,91,86,272	1,33,99,981	16,22,67,77,695	11,06,21,43,694	5,52,53,96,079	5,46,33,924	16,64,21,73,697
Results								
Profit before Interest Depreciation and Tax	7,48,85,635	42,11,63,853	(41,48,89,696)	8,11,59,792	28,54,83,949	3,38,76,972	(20,18,93,802)	11,74,67,119
Interest	4,46,16,614	3,350	39,50,400	4,85,70,364	4,15,53,882	2,84,876	1,95,86,917	6,14,25,675
Depreciation	63,46,411	7,69,907	83,51,557	1,54,67,875	61,61,040	8,30,461	73,66,452	1,43,57,953
Profit before Tax from Continuing Operation	2,39,22,610	42,03,90,596	(42,71,91,653)	1,71,21,553	23,77,69,027	3,27,61,636	(22,88,47,172)	4,16,83,491
Profit After Tax from Continuing Operation	2,39,22,610	35,99,79,638	(38,25,58,352)	13,43,896	23,77,69,027	1,95,16,958	(22,98,30,540)	2,74,55,445
Profit before Tax from Discontinuing Operation	-	-	(1,66,409)	(1,66,409)	-	-	(54,048)	(54,048)
Profit After Tax from Discontinuing Operation	-	-	(1,66,409)	(1,66,409)	-	-	(54,048)	(54,048)
Capital Expenditure Addition to Tangible and Intangible Assets)	60,27,382	2,00,991	59,44,581	1,21,72,954	47,93,897	1,79,321	1,16,99,365	1,66,72,583
Other Information	As at 31st March 2018				As at 31st March 2017			
Total Assets	11,60,32,84,923	5,43,25,60,618	2,27,97,17,064	19,31,55,62,605	11,94,79,66,336	5,77,21,24,813	1,24,74,97,338	18,96,75,88,487
Property Plant and Equipment & Intangible Assets (Carrying Amount)	3,26,75,756	41,22,197	5,91,15,572	9,59,13,525	331,77,510	46,91,114	6,15,60,964	9,94,29,588
Total Liabilities	11,02,31,28,763	5,49,86,49,817	48,65,42,922	17,00,83,21,502	10,48,51,06,128	5,74,80,09,011	42,82,49,848	16,66,13,64,987

Note No. 2.30

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

(Amount in ₹)

Sl. No.	Particulars	As at 31.03.2018	As at 31.03.2017
1	Revenue from operations	16,07,40,98,507	16,30,38,04,479
2	Contract costs incurred and profit recognised upto the reporting date	97,90,36,11,580	83,19,09,42,372
3	Advances received	5,77,25,91,404	6,06,15,62,259
4	Gross amount due from customers for contract work- presented as an asset (Unbilled Revenue)	2,13,19,28,649	2,41,17,53,690
5	Gross amount due to customers for contract work – presented as a liability. (Advance Revenue for Work)	79,09,83,769	61,35,86,476
6	Retention money Receivable	1,84,77,37,062	2,00,17,54,652

Management has made an assessment and found that no fresh provision is required to be created on account of expected future loss on any project in accordance with AS-7 issued by ICAI. However provision of ₹ 4,98,68,122 made in earlier years for expected loss has been reversed during the year.



Note No. 2.31

Details of Employee benefits as per AS-15:-

(i) Changes in defined benefit obligation

(Amount in ₹)

Particulars	Gratuity	Long term compensated absences	Long service award	Post-retirement medical benefit	Post-retirement Travel Allowance
	(Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)
Discount rate	7.85% (7.36%)	7.85% (7.36%)	7.85% (7.36%)	7.85% (7.36%)	7.85% (7.36%)
Rate of increase in compensation levels/ Premium Inflation/ Cost of Travel	5.00%	5.00%	-	0.50%	3.00%
Expected rate of return on assets	7.85% (7.36%)	-	-	-	-
Retirement Age *	60 years	60 years	60 years	60 years	60 years
Mortality Table*	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	Pre-retirement: IALM (2006-08) Ultimate Post Retirement: LIC (1996-98) Ult	IALM (2006-08) Ultimate
Average reimbursement per Couple	-	-	-	Rs. 51,561	-
	-	-	-	(Rs. 55772)	-
Age*	Employee Turnover (%)				
Upto 30 Years	3.00%	3.00%	3.00%	3.00%	3.00%
From 31 to 44 Years	2.00%	2.00%	2.00%	2.00%	2.00%
Above 44 Years	1.00%	1.00%	1.00%	1.00%	1.00%

*Same as previous year



Particulars	Gratuity	Long term compensated absences	Long service award	Post-retirement medical benefit	Post-retirement Travel Allowance
	(Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)
Projected Benefit Obligation at the beginning of year	12,83,38,870 (13,74,34,160)	13,47,23,447 (13,22,99,042)	44,87,540 (51,49,456)	18,46,51,434 (17,03,64,891)	7,84,605 (2,72,939)
Current service cost	84,03,139 (95,35,956)	80,48,040 (78,19,249)	3,27,967 (3,42,385)	71,36,293 (84,67,205)	55,879 (49,674)
Interest cost	95,17,860 (1,01,73,508)	95,03,991 (99,48,344)	3,24,496 (3,84,157)	1,34,85,962 (1,32,93,629)	54,994 (21,450)
Actuarial (Gain)/loss	(12,14,116) ((52,10,630))	88,58,597 (1,73,26,262)	(15,48,254) (3,41,214)	(47,12,548) (1,80,29,962)	(5,71,385) (5,80,261)
Acquisition adjustment	- -	- -	- -	- -	- -
Benefits Paid	(1,76,56,355) ((2,35,94,124))	(3,19,47,158) ((3,26,69,450))	(5,25,474) ((17,29,672))	(2,45,05,516) ((2,55,04,253))	(27,215) ((1,39,719))
Past Service Cost	6,00,14,564 -				
Projected Benefit Obligation at end of year	18,74,03,962 (12,83,38,870)	12,91,86,917 (13,47,23,447)	30,66,275 (44,87,540)	17,60,55,625 (18,46,51,434)	2,96,878 (7,84,605)

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

(Amount in ₹)

Particulars	2017-18	2016-17
	(Funded)	(Funded)
Fair value of Plan Assets as at beginning of the year	12,40,12,636	12,98,03,738
Expected Return on Plan Assets	84,77,577	93,34,328
Actual Contributions	43,26,234	76,30,422
Actuarial Gain / (Loss)	4,41,352	8,38,272
Benefits Paid	(1,76,56,355)	(2,35,94,124)
Acquisition Adjustment	-	-
Fair value of Plan Assets as at end of the year	11,96,01,444	12,40,12,636



(iii) Amount recognized in the Balance Sheet

(Amount in ₹)

Particulars	Gratuity	Long term compensated absences	Long service award	Post-retirement medical benefit	Post-retirement Travel Allowance
	(Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)
Defined benefits obligation as at end of year	18,74,03,962 <i>(12,83,38,870)</i>	12,91,86,917 <i>(13,47,23,447)</i>	30,66,275 <i>(44,87,540)</i>	17,60,55,625 <i>(18,46,51,434)</i>	2,96,878 <i>(7,84,605)</i>
Fair value of plan assets as at end of year	11,96,01,444 <i>(12,40,12,636)</i>	- -	- -	- -	- -
Funded Status Asset / (Liability)	(6,78,02,518) <i>((43,26,234))</i>	(12,91,86,917) <i>((13,47,23,447))</i>	(30,66,275) <i>((44,87,540))</i>	(17,60,55,625) <i>((18,46,51,434))</i>	(2,96,878) <i>((7,84,605))</i>
Net (Liability)/ Asset recognized in Balance Sheet	(6,78,02,518) <i>((43,26,234))</i>	(12,91,86,917) <i>((13,47,23,447))</i>	(30,66,275) <i>((44,87,540))</i>	(17,60,55,625) <i>((18,46,51,434))</i>	(2,96,878) <i>((7,84,605))</i>

(iv) Expenses recognized in the Profit and Loss Account

(Amount in ₹)

Particulars	Gratuity	Long term compensated absences	Long service award	Post-retirement medical benefit	Post-retirement Travel Allowance
	(Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)
Current Service cost	84,03,139 <i>(95,35,956)</i>	80,48,040 <i>(78,19,249)</i>	3,27,967 <i>(3,42,385)</i>	71,36,293 <i>(84,67,205)</i>	55,879 <i>(49,674)</i>
Interest cost	95,17,860 <i>(1,01,73,508)</i>	95,03,991 <i>(99,48,344)</i>	3,24,496 <i>(3,84,157)</i>	1,34,85,962 <i>(1,32,93,629)</i>	54,994 <i>(21,450)</i>
Expected return on Plan Assets	(84,77,577) <i>((93,34,328))</i>	- -	- -	- -	- -
Net actuarial (Gain)/Loss recognized in the period	(16,55,468) <i>((60,48,902))</i>	88,58,597 <i>(1,73,26,262)</i>	(15,48,254) <i>(3,41,214)</i>	(47,12,548) <i>(1,80,29,962)</i>	(5,71,385) <i>(5,80,261)</i>
Past Service Cost	6,00,14,564 -	- -	- -	- -	- -
Expenses recognized in the P & Loss A/c	6,78,02,518 <i>(43,26,234)</i>	2,64,10,628 <i>(3,50,93,855)</i>	(8,95,791) <i>(10,67,756)</i>	1,59,09,707 <i>(3,97,90,796)</i>	(4,60,512) <i>(6,51,385)</i>

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



(i) Comparative Data of last five years - Gratuity

(Amount in ₹)

S. No.	Particulars	31.03.14	31.03.15	31.03.16	31.03.17	31.03.18
a)	Defined benefit obligation at the end of period	14,53,80,147	13,98,97,910	13,74,34,160	12,83,38,870	18,74,03,962
b)	Plan asset at the end of period	14,49,94,542	13,54,84,798	12,98,03,738	12,40,12,636	11,96,01,444
c)	Funded Status	(3,85,605)	(44,13,112)	(76,30,422)	(43,26,234)	(6,78,02,518)
d)	Experience adjustment on plan Liabilities (loss) / gain	(3,85,605)	(44,13,112)	(76,30,422)	(43,26,234)	(6,78,02,518)

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

(Amount in ₹)

S. No.	Particulars	31.03.14	31.03.15	31.03.16	31.03.17	31.03.18
a)	Defined benefit obligation at the end of period	66,73,650	61,76,600	51,49,456	44,87,540	30,66,275
b)	Fair value of Plan asset at the end of period	-	-	-	-	-
c)	Funded Status	(66,73,650)	(61,76,600)	(51,49,456)	(44,87,540)	(30,66,275)
d)	Net (Laibility)/Asset recognized in Balance Sheet	(66,73,650)	(61,76,600)	(51,49,456)	(44,87,540)	(30,66,275)

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

(Amount in ₹)

S. No.	Particulars	31.03.14	31.03.15	31.03.16	31.03.17	31.03.18
a)	Defined benefit obligation at the end of period	12,29,72,341	12,87,94,211	17,03,64,891	18,46,51,434	17,60,55,625
b)	Fair value of Plan asset at the end of period	-	-	-	-	-
c)	Funded Status	(12,29,72,341)	(12,87,94,211)	(17,03,64,891)	(18,46,51,434)	(17,60,55,625)
d)	Net (Laibility)/Asset recognized in Balance Sheet	(12,29,72,341)	(12,87,94,211)	(17,03,64,891)	(18,46,51,434)	(17,60,55,625)



(i) Comparative Data of last five years - Leave Encashment

(Amount in ₹)

S. No.	Particulars	31.03.14	31.03.15	31.03.16	31.03.17	31.03.18
a)	Defined benefit obligation at the end of period	12,49,11,989	12,80,71,143	13,22,99,042	13,47,23,447	12,91,86,917
b)	Fair value of Plan asset at the end of period	-	-	-	-	-
c)	Funded Status	(12,49,11,989)	(12,80,71,143)	(13,22,99,042)	(13,47,23,447)	(12,91,86,917)
d)	Net (Laibility)/Asset recognized in Balance Sheet	(12,49,11,989)	(12,80,71,143)	(13,22,99,042)	(13,47,23,447)	(12,91,86,917)

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

(Amount in ₹)

S. No.	Particulars	31.03.14	31.03.15	31.03.16	31.03.17	31.03.18
a)	Defined benefit obligation at the end of period	-	-	2,72,939	7,84,605	2,96,878
b)	Fair value of Plan asset at the end of period	-	-	-	-	-
c)	Funded Status	-	-	(2,72,939)	(7,84,605)	(2,96,878)
d)	Net (Laibility)/Asset recognized in Balance Sheet	-	-	(2,72,939)	(7,84,605)	(2,96,878)

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. 2.32

Related Party Disclosures

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

- i) Shri N. Sivanand, Joint Secretary, DHI has been entrusted the additional charge of Chairman and Managing Director, initially for a period of 3 months w.e.f. 15.06.2017, which has been extended from time to time and as per latest orders, the additional charge has been entrusted for a further period of six months w.e.f. 15.03.2018 or till finalization of the disciplinary proceedings against Shri SPS Bakshi, CMD, EPIL or until further orders, whichever is the earliest. Shri N. Sivanand, CMD (Addl. Ch.) has been entrusted with the additional charge of the post of Director (Projects) by DHI w.e.f. 01.07.2018 for a period of 3 months or till the appointment of regular incumbent or until further orders, whichever is the earliest.
- ii) Key Management Personnel with whom there were transactions during the year:
 - Shri Lekh Raj, Director (Finance) (w.e.f. 13.04.2017).
 - Shri S.P.S. Bakshi, Chairman-cum-Managing Director (under suspension w.e.f. 20.03.2017).
 - Shri Vinoo Gopal, Director (Projects)(superannuated on 30.06.2018).
 - Shri Sushant Baliga, Part-Time Non-Official Director.
 - Smt. Anita Chaudhary, Part-Time Non-Official Director.
 - Smt. Sudha Venkata Vardhan, Company Secretary.
- iii) EPI Urban Infra Developers Limited (EPIUIDL) was incorporated as Subsidiary of EPIL on 19.05.2016. Initially Shri S.P.S. Bakshi (currently under suspension from EPI), Sh. Vinoo Gopal (superannuated from EPI and hence ceased as Part time Director on 30.6.2018) and Shri Sushant Baliga have been nominated as Part Time Directors. Board of Directors in its meeting held on 25.07.2017, nominated Shri N. Sivanand, who is holding additional charge of Chairman & Managing Director, EPI, as Part-time Director of the Board of EPIUIDL.

Shri Kapil Tara, ED(WRO), EPI (Currently under suspension from EPI) was nominated as Part Time CEO (KMP) and Smt. Sudha Venkata Vardhan, CS (EPI) has been nominated as Part Time CS in Subsidiary Company of Engineering Projects (India) Ltd.



Details of transactions with subsidiary Company.

(Amount in ₹)

Particulars	As on 31st March 2018	As on 31st March 2017	Nature
Opening Balance (Amount Recoverable) {A}	69,700	-	Debit
Reimbursement of Expenses on behalf of Subsidiary {B}	84,231	69,700	Debit
Amount Received from Subsidiary {C}	1,06,060	-	Credit
Closing Balance (Amount Recoverable) {D} [D = A + B - C]	47,871	69,700	Debit

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

During the year ending on 31st March 2018, no transaction was carried out between Engineering Projects (India) Ltd. & EPI-C&C JV. An advance of ₹ 4,49,586 was given to various parties for EPI portion of work which is included under "other advances" in note no. 2.15.

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

Details of Directors Remuneration

(Amount in ₹)

Particulars	2017-2018	2016-2017
Salary*	77,16,181	54,51,159
Contribution to provident fund	4,55,722	5,10,407
House rent	10,58,632	10,62,000
Medical Expenses	3,11,063	3,56,988
Sitting fees	4,57,700	5,42,700

- a) * Includes PRP payment of ₹ 5.96 lacs related to FY 2014-15 & 2015-16 paid in the year 2017-18. Also includes subsistence allowance paid to CMD under suspension.
- b) The Liability of ₹ 4,04,435 against the outstanding loans/advances taken by Shri Lekh Raj, Director (Finance) from NTPC (Shri Lekh Raj has Lien with NTPC) has been transferred to EPI against which ₹ 2,30,000 has been recovered from his salary during 2017-18. Balance amount to be recovered is ₹ 1,74,435 as on 31.03.2018.
- c) Shri Sivanand, CMD(Addl. Charge) is not employed in the company and no salary/allowances have been paid to him during the year 2017-18.



vi) Related parties in respect of Subsidiary Company.

Key Managerial Personnel and Directors:-

- Shri Kapil Tara, ED (WRO), EPI (under suspension from EPI w.e.f 20.3.2017) as Part Time CEO, EPIUIDL
- Shri Sudhir Shringare, Senior Associate Vice President, DCPL as Part time CFO (resigned w.e.f.13.07.2016 and the position is vacant).
- Smt. Sudha Venkata Varadhan, CS (EPI) as Part Time CS, EPIUIDL.
- Shri S. P. S. Bakshi, CMD, EPI and Part Time Chairman, EPIUIDL (under suspension from EPI w.e.f. 20.03.2017)
- Shri. N. Sivanand, CMD (Addl. Ch.), EPI, and Part Time Director, EPIUIDL (w.e.f. 25.07.2017)
- Shri Vinoo Gopal, Director (Projects), EPI and Part Time Director, EPIUIDL (superannuated from EPI and hence ceased as Part time Director, EPIUIDL on 30.6.2018).
- Shri Sushant Baliga, Independent Director, EPI and Part Time Director, EPIUIDL.
- Shri Nandkishor Motilal Shah, Part Time Director representing BUIDPL.
- Shri Baman Keki Dinshah Bamanji Mehta, Part Time Director representing DCPL.

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

S.No.	Name	Amount in ₹
1.	Shri Sushant Baliga (Sitting Fee)	17,700

Note No. 2.33

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	Quantity (MT)	Value (₹)	Quantity (MT)	Value (₹)
CEMENT	376	18,62,625	163	9,62,962
STEEL	224	92,61,365	1,044	2,15,51,117
STEEL PIPES	26390 (RMT)	76,16,318	54023(RMT)	1,71,39,010

Note No. 2.34

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



Note No. 2.35

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

(Amount in ₹)

Particulars	Opening Balance	Provision made during the year	Paid/Adj. during the year	Provision written back	Closing Balance
(i)	(ii)	(iii)	(iv)	(v)	(vi)=(ii+iii-iv-v)
Project Contingencies*	29,86,04,263	4,13,01,295	-	41,81,001	33,57,24,557
Employee Benefits	32,89,73,260	10,87,66,550	6,13,31,597	-	37,64,08,213
Pay Revision (3rd PRC)	1,75,00,000	3,68,03,797	-	-	5,43,03,797
Total	64,50,77,523	18,68,71,642	6,13,31,597	41,81,001	76,64,36,567
Previous Year	67,68,92,942	17,84,30,026	19,78,45,956	1,23,99,489	64,50,77,523

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

In view of the claims of EPI upon UB Engineering Limited (UBEL) under consideration by the liquidator as per Hon’ble NCLT order, during the year a provision of ₹ 4 crore in addition to ₹ 8 crore provision made upto 31st March 2017 (total provision of ₹ 12 crore as on 31st March 2018) has been considered reasonable by the management in the present situation and provided for in the books of accounts, which has been included as above under project contingencies against the outstanding dues of ₹ 16 crore (net of payable).

Note No. 2.36

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 2018.

Note No.2.37

In accordance with provisions of Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average of its net profit from the immediately preceding three financial years on Corporate Social Responsibility (CSR). Gross amount required to be spent by the Company for CSR and Sustainability during the year is ₹ 1,81,000 (being amount carried forward from budgets of previous year). Actual Amount spent during the year is as under:

(Amount in ₹)

Particulars	In Cash	Yet to be paid in Cash	Total
Construction/acquisition of any asset	-	-	-
On purposes other than (i) above	48,000	-	48,000



Note No. 2.38

Basic and diluted earnings per share are computed by dividing net profit after tax ₹ 11,77,487 (previous year ₹ 2,74,01,396) by 3,54,22,688 fully paid up equity share of ₹ 10 each.

	2017-18	2016-17
Basic and diluted earnings per share (₹)	0.03	0.77

Note No. 2.39

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

The 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. In view of this during F.Y. 2016-17, 100% provision has been made against the investment of ₹ 5,10,000/- in subsidiary company.

Hence the profit/ loss for the year related to subsidiary company is shown under the heading profit/ loss from discontinuing operations which comprises the following.

(Amount in ₹)

S.No.	Particulars	For the year ending 31 st March 2018	For the year ending 31 st March 2017
1.	Revenue From Operations	-	-
2.	Other Expenses	3,26,293	1,05,977
3.	Profit/ (Loss)	(3,26,293)	(1,05,977)
4.	Share of Minority Interest (49%)	(1,59,884)	(51,929)
5.	Group's Share (51%)	(1,66,409)	(54,048)



Note No. 2.40

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

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

Note No. 2.41

National Water Supply & Drainage Board (NWSDB), Srilanka (client) rejected HDPE pipes supplied by Chinese manufacturer/ supplier against the awarded project in Vavuniya water supply scheme to EPIL due to poor quality of pipes and asked EPIL to replace the same with good ones. EPIL released the payment to Chinese supplier, however EPIL in turn got its (around 96%) payment from NWSDB Srilanka as per terms of agreement. Claim of equivalent ₹ 18.78 crore has been lodged in Arbitration against the manufacturer on 31.10.2016. The arbitrator awarded the claim vide award dated 29.01.2018 in favour of EPIL for ₹ 17.25 crore (approximate) and now EPIL proceeded to Commercial High Court of Colombo for conversion of Arbitration into decree for invocation of same in China from Chinese manufacturer (Jiangsu Qianlong New Material Co Ltd.). Expected loss on account of replacement of rejected pipes of ₹ 3.98 crore (considering residual value of the pipes) have already been accounted for during the FY 2016-17 and further no loss is anticipated in this regard.

Note No. 2.42

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

Note No. 2.43

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

Note No. 2.44

Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary and Jointly controlled entity.



Name of the enterprise	Net Assets (Total Assets-Total Liabilities)		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent:				
1. Engineering Projects (India) Ltd.	99.98%	230,66,35,502	114.98%	13,53,896
Subsidiary:				
EPI Urban Developers Infra Limited	0.01%	3,13,957	(27.71)%	(3,26,293)
Minority interest in subsidiary	0.01%	3,01,644	13.58%	1,59,884
Joint Venture:				
EPI-C&C JV (Unincorporated)	-	(10,000)	(.85)%	(10,000)
Total		230,72,41,103		11,77,487

Note No. 2.45

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

For and on behalf of the Board of Directors

As per our report of even date attached
K.G. Somani & Co.
Chartered Accountants
Firm Registration No.-06591N

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

Sd/-
(N. Sivanand)
Chairman & Managing Director
(Additional Charge)
DIN : 07852689

Sd/-
(CA B. Maheshwari)
Partner
Membership No. 088155
Place: New Delhi
Dated: 24th August 2018

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

Sd/-
(Sudha V. Varadhan)
Company Secretary



Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1.	Name of the subsidiary	EPI Urban Infra Developers Limited
2.	The date since when subsidiary was acquired/incorporated	19 th May 2016
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Same as that of holding company (1.04.2017-31.03.2018)
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case off oreign subsidiaries.	NA
5.	Share capital *	10,00,000
6.	Reserves and surplus	-4,32,270
7.	Total assets	6,15,601
8.	Total Liabilities	47,871
9.	Investments	-
10.	Turnover	-
11.	Profit before taxation	-3,26,293
12.	Provision for taxation	-
13.	Profit after taxation	-3,26,293
14.	Extent of shareholding (in percentage)	51%

Notes:

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

* Share Capital includes Issued and Paid up capital.



Ventures

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

Name of Associates or Joint Ventures	EPI-C&C JV
1. Latest audited Balance Sheet Date #	31.03.2018
2. Date on which the Associate or Joint Venture was associated or acquired	02.08.2017
3. Shares of Associate or Joint Ventures held by the company on the year end	Nil
No.	Nil
Amount of Investment in Associates or Joint Venture	Nil
Extent of Holding (in percentage)	*
4. Description of how there is significant influence	N.A
5. Reason why the associate/joint venture is not consolidated	N.A
6. Networth attributable to shareholding as per latest audited Balance Sheet (EPI-C&C JV)	-25000.00
7. Profit or Loss for the year	
i. Considered in Consolidation	-10000.00
ii. Not Considered in Consolidation	Nil

Unaudited financial statements are considered for consolidation.

* There is no investment in Joint Venture however the profit/loss sharing ratio is 40% in respect of the project undertaken with Joint Venture (EPI-C&C JV).

For and on behalf of the Board of Directors

As per our report of even date attached
K.G. Somani & Co.
Chartered Accountants
Firm Registration No.-06591N

Sd/-
(CA B. Maheshwari)
Partner
Membership No. 088155
Place: New Delhi
Dated: 24th August 2018

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

Sd/-
 (N. Sivanand)
 Chairman & Managing Director
 (Additional Charge)
 DIN : 07852689

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

Sd/-
 (Sudha V. Varadhan)
 Company Secretary



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF ENGINEERING PROJECTS (INDIA) LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The preparation of financial statements of **ENGINEERING PROJECTS (INDIA) LIMITED** for the year ended 31 March 2018 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 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 24 August 2018.

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 2018 under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143 (6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

A. Comments on Financial Position

Assets

Non Current Assets Rs. 534.39 crore

The above includes ₹ 11.16 crore receivable from M/s U .B. Engineering Limited for work done by the Company on basis of contract entered in 2005. M/s U. B. Engineering Limited has initiated Corporate Insolvency Resolution process under section 10 of the Insolvency and Bankruptcy Code 2016. Considering pendency of insolvency proceedings. Company has made provision of ₹ 12 crore upto 2017-18. However, as the Liquidator appointed by the National Company Law Tribunal, Mumbai has rejected the claims of the Company in January 2018, provision for net trade receivable i.e. ₹ 16 crore ₹ 23.16 crore receivable from M/s U. B. Engineering Limited minus ₹ 7.16 crore payable to sub-contractor on back to back basis) should have been created. Hence, there is short provision to the extent of ₹ 4 crore. This has resulted in overstatement of Non current asset and Profit for the year by ₹ 4 crore.

B. Comments on Disclosure

Notes are deficient to the extent that there is no disclosure of the important facts in respect of ₹ 43.06 crore shown as recoverable from M/s Vijeta Projects & Infrastructure Limited (contractor) in spite of the fact that contract has been terminated during 2017-18 and an arbitration claim of ₹ 81.96 crore on



the company has been filed. The Company has also filed counter claim of ₹ 146.71 crore. Even though there was back to back contract with the client (Bihar Police Building Construction Corporation) this amount was not recovered from the client and the amount is shown as recoverable from the contractor. As the claim is unsecured, the fact should have been adequately disclosed in the Notes to Financial Statement.

**For and on behalf of the
Comptroller and Auditor General of India
Sd/-
(Nandana Munshi)
Director General
O/o Principal Director of Commercial Audit
& Ex-officio Member Audit Board-I,
New Delhi.**

Place: New Delhi

Dated: 28 September 2018



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF ENGINEERING PROJECTS (INDIA) LIMITED FOR THE YEAR ENDED 31 MARCH 2018 AND COMPANY'S REPLY.

S.No.	CAG Comments	Replies
A	<p>Comments on Financial Position</p> <p>Assets</p> <p>Non Current Assets ₹ 534.39 crore</p> <p>The above includes ₹ 11.16 crore receivable from M/s U.B. Engineering Limited for work done by the Company on basis of contract entered in 2005. M/s U.B.Engineering Limited has initiated Corporate insolvency Resolution process under section 10 of Insolvency and Bankruptcy code 2016. Considering, pendency of insolvency proceedings, Company has made provision of ₹ 12 crore upto 2017-18. However, as the Liquidator appointed by the National Company Law Tribunal, Mumbai has rejected the claim of the Company in January 2018, provision for net trade receivables i.e. ₹ 16 crore (₹ 23.16 crore receivable from M/s U.B. Engineering Lintied minus ₹ 7.16 crore payable to sub-contractor on back to back basis) should have been created. Hence there is short provision to the extent of ₹ 4 crore. This has resulted in overstatement of Non Current assets and Profit for the year by ₹ 4 Crore.</p>	<p>The National Company Law Tribunal (NCLT) Mumbai Bench has passed an Order dated 02.05.2018 directing the Liquidator to pass an Order under section 40 of the Insolvency and Bankruptcy Code 2016 over the claim filed with liquidator with a liberty to claimant to approach the National Company Law Tribunal Mumbai Bench again if aggrieved, on such order. The Company has already provided ₹ 12 crore equivalent to 75 % of net receivables upto FY 2017-18.</p> <p>Provision shall be reviewed in the FY 2018-19 based on the outcome of the case in line with accounting policy of the Company.</p>
B	<p>Comments on Disclosure:</p> <p>Notes are deficient to the extent that there is no disclosure of the important facts in respect of ₹ 43.06 crore shown as recoverable from M/s Vijeta Projects & Infrastructure Limited (contractor) inspite of the fact that contract has been terminated during 2017-18 and an arbitration claim of ₹ 81.96 crore on the Company has been filed. The Company has also filed counter claim of ₹ 146.71 crore. Even though there was back to back contract with the client (Bihar Police Building Construction Corporation) this amount was not recovered from the client and the amount is shown as recoverable from the contractor. As the cliam is unsecured the fact should have been adequately disclosed in the Notes to Financial Statement.</p>	<p>Noted</p>



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ENGINEERING PROJECTS (INDIA) LIMITED FOR THE YEAR ENDED 31 MARCH 2018

The preparation of consolidated financial statements of **ENGINEERING PROJECTS (INDIA) LIMITED** for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 24 August 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of **ENGINEERING PROJECTS (INDIA) LIMITED** for the year ended 31 March 2018 under section 143(6) (a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of **ENGINEERING PROJECTS (INDIA) LIMITED** for the year ended 31 March 2018 but did not conduct supplementary audit of the financial statements of its subsidiary EPI Urban Infra Developers Limited and EPI-C&C, an unincorporated joint venture, for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143 (6)(b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit reports.

A. Comments on Consolidated Financial Position

Assets

Non Current Assets Rs. 534.39 crore

The above includes ₹ 11.16 crore receivable from M/s U.B. Engineering Limited for work done by the Company on basis of contract entered in 2005. M/s U. B. Engineering Limited has initiated Corporate Insolvency Resolution process under section 10 of the Insolvency and Bankruptcy Code 2016. Considering pendency of insolvency proceedings, Company has made provision of ₹12 crore upto 2017-18. However, as the Liquidator appointed by the National Company Law Tribunal, Mumbai has rejected the claims of the Company in January 2018 provision for net trade receivable i.e. ₹ 16 crore (₹ 23.16 crore receivable from M/s U.B. Engineering Limited minus ₹ 7.16 crore payable to sub-contractor on back to back basis) should have been created. Hence, there is short provision to the extent of ₹ 4 crore. This has resulted in overstatement of Non current assets and Profit for the year by ₹ 4 crore.



B. Comments on Disclosure

Notes are deficient to the extent that there is no disclosure of the important facts in respect of ₹ 43.06 crore shown as recoverable from M/s Vijeta Projects & Infrastructure Limited (contractor) inspite of the fact that contract has been terminated during 2017-18 and an arbitration claim of ₹ 81.96 crore on the company has been filed. The Company has also filed counter claim off ₹146.71 crore. Even though there was back to back contract with the client (Bihar Police Building Construction Corporation) this amount was not recovered from the client and the amount is shown as recoverable from the contractor. As the claim is unsecured, the fact should have been adequately disclosed in the Notes to Financial Statement.

**For and on behalf of the
Comptroller and Auditor General of India
Sd/-
(Nandana Munshi)
Director General
O/o Principal Director of Commercial Audit
& Ex-officio Member Audit Board-I,
New Delhi.**

Place: New Delhi

Dated: 28 September 2018



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ENGINEERING PROJECTS (INDIA) LIMITED FOR THE YEAR ENDED 31 MARCH 2018 AND COMPANY'S REPLY.

S.No.	CAG Comments	Replies
A	<p>Comments on Consolidated Financial Position Assets Non Current Assets Rs. 534.39 crore.</p> <p>The above includes ₹ 11.16 crore receivable from M/s U.B. Engineering Limited for work done by the Company on basis of contract entered in 2005. M/s U.B.Engineering Limited has initiated Corporate insolvency Resolution process under section 10 of Insolvency and Bankruptcy code 2016. Considering, pendency of insolvency proceedings, Company has made provision of ₹ 12 crore upto 2017-18. However, as the Liquidator appointed by the National Company Law Tribunal, Mumbai has rejected the claim of the Company in January 2018, provision for net trade receivables i.e. ₹ 16 crore (₹ 23.16 crore receivable from M/s U.B. Engineering Limited minus ₹ 7.16 crore payable to sub-contractor on back to back basis) should have been created. Hence there is short provision to the extent of ₹ 4 crore. This has resulted in overstatement of Non Current assets and Profit for the year by ₹ 4 Crore.</p>	<p>The National Company Law Tribunal (NCLT) Mumbai Bench has passed an Order dated 02.05.2018 directing the Liquidator to pass an Order under section 40 of the Insolvency and Bankruptcy Code 2016 over the claim filed with liquidator with a liberty to claimant to approach the National Company Law Tribunal Mumbai Bench again if aggrieved, on such order. The Company has already provided ₹12 crore equivalent to 75 % of net receivables upto FY 2017-18. Provision shall be reviewed in the FY 2018-19 based on the outcome of the case in line with accounting policy of the Company</p>
B	<p>Comments on Disclosure:</p> <p>Notes are deficient to the extent that there is no disclosure of the important facts in respect of ₹ 43.06 crore shown as recoverable from M/s Vijeta Projects & Infrastructure Limited (contractor) inspite of the fact that contract has been terminated during 2017-18 and an arbitration claim of ₹ 81.96 crore on the Company has been filed. The Company has also filed counter claim of ₹ 146.71 crore. Even though there was back to back contract with the client (Bihar Police Building Construction Corporation) this amount was not recovered from the client and the amount is shown as recoverable from the contractor. As the claim is unsecured the fact should have been adequately disclosed in the Notes to Financial Statement.</p>	<p>Noted</p>



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इंजीनियरिंग प्रोजेक्ट्स (इंडिया) लि.

(भारत सरकार का उद्यम)

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(A GOVERNMENT OF INDIA ENTERPRISE)

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