

# 45<sup>वीं</sup> वार्षिक प्रतिवेदन 45<sup>th</sup> Annual Report 2014 - 2015



इंजीनियरिंग प्रोजेक्ट्स (इंडिया) लि.  
(भारत सरकार का उद्यम)  
**ENGINEERING PROJECTS (INDIA) LTD.**  
(A Government of India Enterprise)



एक कदम स्वच्छता की ओर





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## 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.

## BOARD OF DIRECTORS



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



**Shri Vinoo Gopal**  
Director (Projects)



**Shri A. V. V. Krishnan**  
Director (Finance)



**Shri R. K. Singh**  
Part Time Official  
Director



**Shri S. S. Dubey**  
Part Time Official  
Director



**Dr. K. S. Rao**  
Independent Director



## REFERENCE INFORMATION

### REGISTERED OFFICE

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

### 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@epi.gov.in

#### 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@epi.gov.in

#### Northern Regional Office-Delhi

Core-3, 2<sup>nd</sup> Floor, SCOPE Complex, 7  
Lodhi Road, New Delhi – 110 003.  
Phone : 91-11-24361666  
Fax : 91-11-24368293  
E-mail : nro@epi.gov.in.

#### 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@epi.gov.in

#### North Eastern Regional Office

4th Floor, Hindustan Tower,  
Block -A, Jawahar Nagar, National  
Highway No.37, Beltala  
Guwahati -781022 (Assam)  
Phone : 0361-2304666  
Fax : 0361-2300017  
E-mail : neroguwahati@rediffmail.com

### CAMP OFFICE MUSCAT

Engineer-3 Project  
C/o Engineering Projects (India)  
Limited-OMAN  
Post Box No. 3251  
Postal Code :- 112 RUWI  
Sultanate of Oman  
E-mail id :sk.jain@epi.gov.in  
Phone: +96898187005

### 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

### AUDITORS: Statutory Auditors

M/s. Satyendra Jain & Associates  
Chartered Accountants  
D-1, 2nd Floor,  
Defence Colony  
New Delhi-110024

### Branch Auditors

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

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

M/s. ABM & Associates LLP  
Chartered Accountants  
#901,Vashi Infotech Park,  
Plot No. 16, Sector 30A  
Vashi,  
Navi Mumbai-400705  
Maharashtra

### FOREIGN BRANCH AUDITORS

#### Branch Auditors Sri Lanka

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

#### Branch Auditors Oman

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

### Cost Auditor

M/s. A.G. Agarwal & Associates  
Cost Accountants  
Second floor, Sunheri Market,  
Atta, Sector-27,  
Noida, UP-201301

### Secretarial Auditor

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

### BANKERS

Allahabad Bank  
Canara Bank  
HDFC Bank  
Corporation Bank  
Dena Bank  
IDBI Bank  
State Bank of India  
State Bank of Hyderabad  
Syndicate Bank  
Indusind Bank  
ICICI Bank  
Indian Overseas Bank  
Axis Bank

## FINANCIAL STATUS FOR LAST FIVE YEARS

(₹ lakhs)

Particulars/Years	2010-11	2011-12	2012-13	2013-14	2014-15
<b>A. Operating Statistics</b>					
Turnover (Operating Income)	110368.72	90127.34	84060.96	85516.72	1,03,128.21
Other Income	2490.07	3645.25	4443.17	3534.00	2,789.27
<b>Total Income (a)</b>	112858.79	93772.59	88504.13	89050.72	1,05,917.48
<b>Total Expenditure (b)</b>	110359.87	89416.13	84615.02	85398.78	100,991.01
<b>Gross Margin (a-b)</b>	2498.92	4356.46	3889.11	3651.94	4,926.47
Interest	186.11	647.45	631.76	942.11	706.15
Depreciation	55.04	72.53	91.89	99.30	99.62
<b>Profit Before Tax (PBT)</b>	2257.77	3636.46	3165.46	2610.53	4,120.70
Income Tax	752.70	1189.75	1019.58	911.09	1,412.08
<b>Profit after Tax (PAT)</b>	1505.07	2446.71	2145.87	1699.44	2,708.62
Transitional Depreciation Impact on Opening Reserves	-	-	-	-	4.37
Dividend Paid	708.45	708.45	708.45	708.45	708.45
Dividend Distribution Tax Paid	114.93	114.93	120.40	120.40	144.22
Balance Carried Forward to Reserves & Surplus	681.69	1623.33	1243.62	862.73	1,851.58
No. of Employees	434	419	435	437	436
No. of Equity Shares of ₹ 10/- each	35422688	35422688	35422688	35422688	35422688
<b>B. Financial Position</b>					
Share Capital	3542.27	3542.27	3542.27	3542.27	3,542.27
Reserve and Surplus (Free Reserves)	12507.44	14130.76	15374.37	16237.10	18,088.67
CSR Reserve	-	-	76.98	7.86	-
<b>Net Worth (Shareholders' Funds)</b>	16049.71	17673.03	18916.64	19779.37	21,630.94
<b>Capital Employed</b>	16049.71	17673.03	18916.64	19779.37	21,630.94
<b>C. Financial Ratios</b>					
Turnover per Employee (₹ In lakhs)	254.31	215.10	194.14	195.69	236.53
Gross Margin / Turnover (%)	2.26	4.83	4.63	4.27	4.78
Profit Before Tax (PBT)/ Turnover (%)	2.05	4.03	3.77	3.05	4.00
Profit Before Tax (PBT)/ Net Worth (%)	14.07	20.58	16.73	13.20	19.05
Profit After Tax (PAT)/ Net Worth (%)	9.38	13.84	11.34	8.59	12.52
Dividend paid / Profit before tax (%)	31.38	19.48	22.38	27.14	17.19
Dividend paid / Profit after tax (%)	47.07	28.96	33.01	41.69	26.16
Basic and Diluted EPS ( in ₹)	4.25	6.91	6.06	4.80	7.65
NAV Per Share having Face Value of ₹ 10/- each	45.31	49.89	53.40	55.84	61.07



## CHAIRMAN'S ADDRESS

### Dear Shareholders'

It is my proud privilege to welcome you all to this 45<sup>th</sup> Annual General Meeting of your Company. The 45<sup>th</sup> Annual Report for the year 2014-15 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, Independent & Secretarial Auditors' Report, Comments of Comptroller & Auditor General have been placed before you.

### Industry Scenario

Growth in the domestic Construction sector has been fuelled by growth in key sectors like infrastructure, Oil & Gas, Power, Mining, Refinery, transportation etc. The Construction Sector is very promising and is expected to grow in the near future owing to massive development projected in Power projects, infrastructure and Housing sectors.

The export market also offers excellent opportunities which may result in increase in India's contribution in global engineering exports. Governments 'Make in India' programme reflect radical transformation of the Indian economy and a foundation has been laid for a multiplier impact on inclusive development. A conscious endeavour is visible at creating a vibrant identity that represents modern India. It has opened up the venues for acquiring proven technologies from world leaders in creating world class infrastructure in India.

The Indian Government is taking every possible initiative to boost the infrastructure sector by relaxing investment norms.

### Business Opportunities

Your Company can take the advantage of domestic business opportunities in the construction and infrastructure sector especially in planned initiatives like Smart Cities, Ganga Cleaning, Development of Ports and Low cost Airports, mega infrastructure projects in rail network/Industrial Corridors, Solar Power projects etc. Even though company is operating in a highly competitive market and faces stiff competition in domestic market from other PSUs and Private Companies, your company is resolved to make all efforts to take advantage of the development activities and achieve higher growth.

### Marketing Initiatives

Your Company has travelled a long way in establishing itself as a multi-disciplinary Engineering & Construction Company with presence all over India and abroad. The Company has successfully





re-entered into foreign markets after a long gap of 30 years securing projects overseas and more efforts are being put in to secure business in Malaysia, Bangladesh, Saudi Arabia, Kuwait and African Countries. Your Company is gearing up to tap opportunities arising in the fields of Smart Cities, Renewable Energy projects, Urban Infrastructure, Border Management, Road and Railway Sector projects in India as well as abroad.

### **Performance Highlights**

During 2014-15, your Company has secured projects worth ₹ 1915 crores. The focus is on securing more and more Project Management Consultancy (PMC) contracts. Your Company is already executing specialised projects i.e. two packages of Bhilai Steel Plant in the field of Metallurgical and Material Handling, Milk Processing Plant project in Bihar in the field of dairy and cattle feed. Your company has recently secured Sport Stadium projects spread over seven states.

Your company has recently been awarded Phase II of Engineer-3 Project at Oman, which is a high value project of US\$470 million. It may not be out of place to mention here that the Phase II has been awarded to EPI based on its performance for Phase I project. I am delighted to state that this is the highest order awarded to EPI in the history of the Company and will take the company to the next level.

### **Financial highlights**

I take pride in stating that the total income of the Company for the year 2014-15 is ₹ 1059.17 crores, which is 19% higher than the previous year. The increase in turnover is commendable achievement at a time when global economies are battling slow down and financial crisis. During the year, your company has earned profit before tax of ₹41.21 crores, which is 57.83% higher as compared to ₹ 26.11 crores during the previous year.

### **Operational highlights**

During 2014-15 'Industrial, Process Plant, Material Handling and Electrical Projects' segment is the highest contributor (56.38%), to the total turnover of the Company followed by Housing & Building Works whose percentage share has increased to 33.27%. In the last two years, the company has shifted its focus to the 'Industrial, Process Plant, Material Handling and Technological Projects' segment, which is indicative of the company's efforts to concentrate on specialised sector.

Your company has achieved a higher operational Turnover of ₹1031.28 crores, comprising of ₹ 439.86 crores (42.65%) from domestic projects and ₹ 591.42 Crores (57.35%) from overseas projects (i.e. Projects at Oman & Sri Lanka).

### **Performance under MOU**

The performance of the Company has been rated "Very Good" by the Department of Public Enterprises (DPE) in terms of MOU signed by the Company with the Government for the year 2013-14.



## Dividend

Your Directors have recommended a dividend of 20% for the year 2014-15 on the paid-up share capital of the Company.

## Human Resource

Your company considers its employees as valued assets and focusses on welfare of its employees including minorities and women employees together with focus on acquiring best talent with required skills to cater to its manpower needs.

## Corporate Governance

Your Company firmly believes that good corporate governance facilitates effective, and prudent management that can deliver the long-term success of the company. The Company has Works Manual and Audit Manual in place for ensuring transparency. The Company has been consistently complying with the requirements of Guidelines on Corporate Governance issued by Department of Public Enterprise (DPE).

## Corporate Social Responsibility and Sustainability

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

During the year 2014-15, your Company has undertaken construction of Toilets in 10 Govt. Schools (13 toilets) adopted under Swachh Vidyalaya Campaign and provided Solar Lighting in and around these schools. A report giving details of the activities and plan for coming year is attached as annexure to the Directors' Report.

## Acknowledgement

The success in the operations and growth of the Company has been made possible with all round cooperation received from employees, the Board of Directors of the Company, Department of Heavy Industry, Government of India and our Shareholders. I would like to record my appreciation for the sincere efforts made by employees of your Company towards achieving the targets and expect that in future they would still strive harder to take your Company to the new heights. I also acknowledge with gratitude the cooperation and guidance received from the Board of Directors of your Company, the Ministry of Heavy Industries & Public Enterprises, other Government Departments, Statutory Auditors & other Auditors and Comptroller & Auditor General of India. My sincere thanks are also due to our valuable clients, business associates and banks who have reposed their faith in your Company.

Sd/-  
(S P S Bakshi)  
Chairman-cum-Managing Director  
DIN :02548430

Place: New Delhi

Date: 29<sup>th</sup> September 2015



## NOTICE

Notice is hereby given that the 45<sup>th</sup> Annual General Meeting of the members of Engineering Projects (India) (EPI) Limited will be held at the Registered and Corporate Office of the Company at Core 3, SCOPE Complex, (4<sup>th</sup> Floor), 7 Lodhi Road, New Delhi – 110003 on Tuesday, the 29<sup>th</sup> September, 2015 at 3.00 p.m. to transact the following business :

### Ordinary Business

1. To receive, consider and adopt the audited financial statements of the Company for the year ended 31<sup>st</sup> March 2015 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 for the year ended 31<sup>st</sup> March 2015 comprising Balance Sheet as at 31<sup>st</sup> March 2015, the Statement of Profit and Loss Account for the year ended 31<sup>st</sup> March 2015 along with Notes and Annexures, and the Auditors’ Report thereon and Comments of the Comptroller & Auditor General of India, 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-2 for disclosure of particulars of contracts/arrangements entered into by the company with related parties as laid down before the meeting be and are hereby approved and adopted.”

2. To declare dividend on equity shares for the financial year 2014-15, and to pass the following resolution, with or without modification (s) :

**“RESOLVED THAT** pursuant to section 123 of the Companies Act, 2013, dividend @ ₹ 2 per share, amounting to ₹ 7.08 crores for the year 2014-15, which is 20% of the paid up share capital of ₹ 35.42 crores (i.e. 3,54,22,688 equity shares of ₹ 10/- each) be and is hereby declared in favour of Shareholders whose name appear in the Register of Member as on date of Annual General Meeting (AGM)”.

### Special Business

3. To ratify the remuneration of the Cost Auditor for the financial year 2014-15 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 ₹ 49950/- (Rupees Forty Nine Thousand Nine Hundred Fifty only) plus applicable service tax, excluding TA/DA and out of Pocket expenses to be paid as per actuals for the visits outside Delhi/NCR, to M/s. A.G. Agarwal & Associates as Cost Auditor for the financial year 2014-15 be and is hereby ratified and confirmed.”



4. To ratify the remuneration of the Cost Auditor for the financial year 2015-16 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 ₹ 49950/- (Rupees Forty Nine Thousand Nine Hundred Fifty only) plus applicable service tax, excluding TA/DA and out of Pocket expenses to be paid as per actuals for the visits outside Delhi/NCR to M/s. A.G. Agarwal & Associates as Cost Auditor for the financial year 2015-16 be and is hereby ratified and confirmed.”

**BY ORDER OF THE BOARD OF DIRECTORS**

Sd/-  
**(Sudha V. Varadhan)**  
Company Secretary

Date: 4<sup>th</sup> September, 2015

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, and the proxy need not be a member. Proxies to be valid and effective must be delivered at the registered office of the company duly filled, stamped and signed not later than 48 hours before the commencement of the meeting. Form of Proxy is attached.
2. 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)).
3. Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company provided not less than three days' notice in writing of the intention so to inspect is given to the company.
4. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
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. Members who have not yet registered their e-mail id or who want to change their e-mail id are requested to approach the Company/R&TA so as to receive all communications electronically including annual report, notices etc. sent by Company from time to time. Registrar & Share Transfer Agent of the Company has been changed from MCS Limited to MCS Share Transfer Agent Limited (w.e.f April 2015), F-65, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi-110020. Contact details are- phone- 011-41406149-52, fax-011-41709881, e-mail id-admin@mcsregistrars.com,website-www.mcsregistrars.com.
7. The Shareholders may please write to the email id [csd@epi.gov.in](mailto:csd@epi.gov.in) for any queries/complaints/grievances.
8. Route Map indicating venue of the AGM is given at the end of the Notice.
9. Members are requested to bring their Attendance Slip duly completed and signed at the venue of the meeting. Format of Attendance slip is attached.
10. Notice of AGM is being hosted on the Company's website in compliance to the provisions of Companies Act, 2013.

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

**Item No. 3: Ratification of remuneration of Cost Auditor for the financial Year 2014-2015**

The Board of Directors in its 235<sup>th</sup> meeting held on 29th September 2014, 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 2014-2015 at a remuneration amounting ₹ 49950/- (Rupees Forty Nine Thousand Nine Hundred Fifty only) plus applicable service tax, excluding TA/DA and out of Pocket expenses to be paid as per actuals for the visits outside Delhi/NCR. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, the Resolution at Item No.3 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members of the Company.

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

**Item No. 4: Ratification of remuneration of Cost Auditor for the financial year 2015-2016**

The Board of Directors in its 241<sup>st</sup> meeting held on 21<sup>st</sup> August 2015, 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 2015-2016 at a remuneration amounting ₹ 49950/- (Rupees Forty Nine Thousand Nine Hundred Fifty only) plus applicable service tax, excluding 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.4 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 4.

To:

1. All Shareholders of EPI
2. M/s. Satyendra Jain & Associates,  
Statutory Auditors,  
D-1, 2nd Floor, Defence Colony,  
New Delhi- 110024.
3. M/s Vishal Agarwal & Associates  
Secretarial Auditor, EPI  
39/2068, Naiwala, 315, Dakha Chambers,  
Karol Bagh, New Delhi-110005
4. M/s A G Agarwal & Associates  
Cost Auditor, EPI  
IInd floor, Sunheri Market, Sector-27,  
Atta, G.B.Nagar, Noida, UP-201301
5. 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

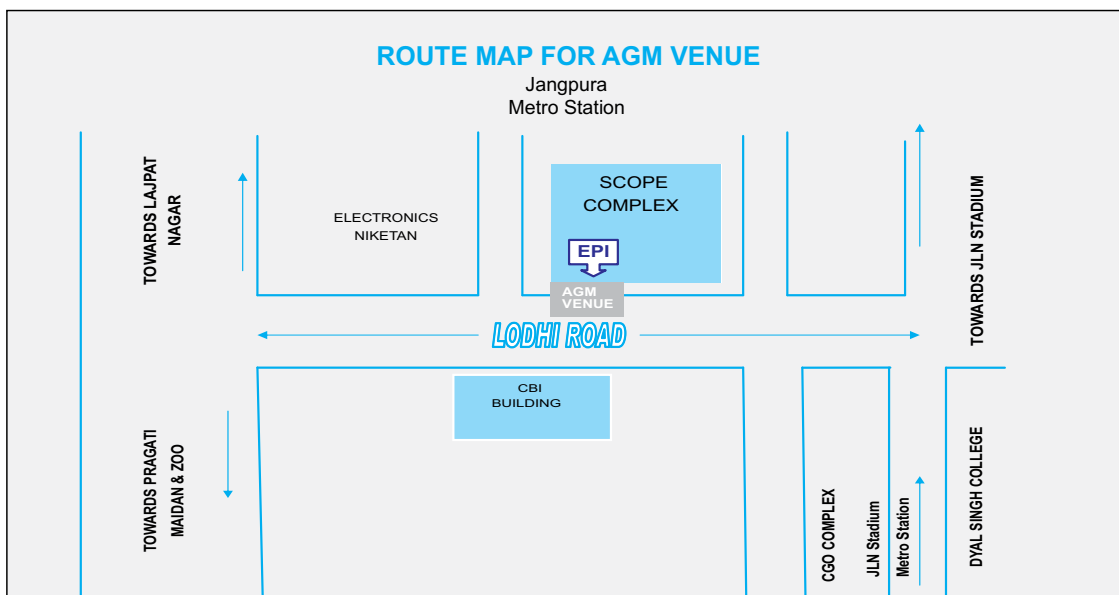
BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

(Sudha V. Varadhan)  
Company Secretary

Date: 4<sup>th</sup> September, 2015

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 45th Annual General Meeting (and any other adjourned meeting thereof) of the Shareholders of EPI to be held on 29th September, 2015.

Thanking you,

Yours' faithfully,

Signature  
Designation  
Stamp and Seal

Place:

Date:



## FORM NO. MGT - 11 PROXY FORM

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

CIN:

Name of the company:

Registered office:

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

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

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

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

Resolution No.

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

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

Affix Revenue  
Stamp

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

**45<sup>th</sup> Annual General Meeting, Tuesday, 29<sup>th</sup> September 2015 at 3:00 P.M.**

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

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company and hereby record my presence at the 45<sup>th</sup> Annual General Meeting of the Company on Tuesday, 29<sup>th</sup> September, 2015 at 3:00 P.M at Core-3, SCOPE Complex, 4th Floor, 7 Lodhi Road, New Delhi–110003.

\_\_\_\_\_

\_\_\_\_\_

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

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

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



## DIRECTORS' REPORT

### Dear Members'

Your Directors have the pleasure in presenting the 45<sup>th</sup> Annual Report on the performance of the Company during the financial year 2014-15.

### 1. FINANCIAL HIGHLIGHTS

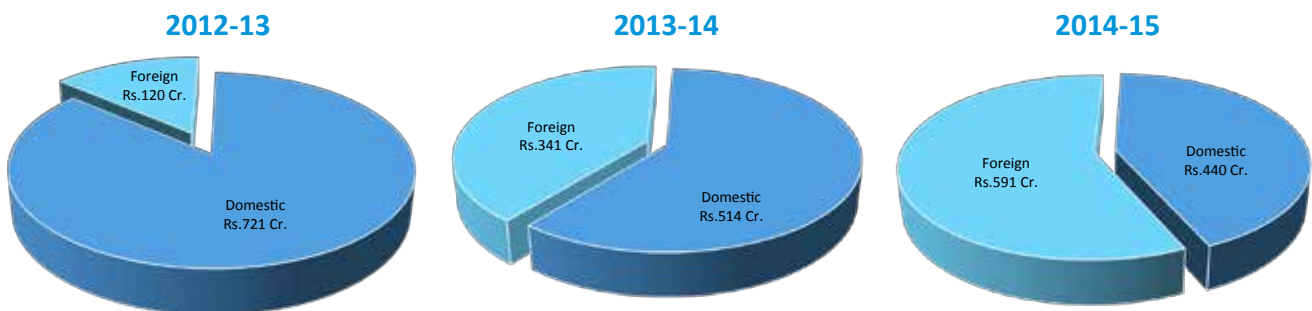
During the year 2014-15, the Company achieved an operating turnover of ₹ 1,03,128 lakhs as against turnover of ₹ 85,517 lakhs achieved during the previous year which is 20.59% increase over previous year. Profit Before Tax (PBT) earned during this period stood at ₹ 4,121 lakhs in comparison to ₹ 2,611 lakhs earned during 2013-14 which is 57.83% increase over previous year.

The financial highlights of your Company during the year 2014-15 along with the corresponding previous year figures are as under-

		(₹ Lakhs)	
Sl. No.	Description	2014-15	2013-14
1.	Operating Turnover	<b>1,03,128</b>	85,517
2.	Other Income	<b>2,789</b>	3,534
3.	Total Income	<b>1,05,917</b>	89,051
4.	Gross Margin	<b>4,926</b>	3,652
5.	Interest Paid	<b>706</b>	942
6.	Depreciation	<b>99</b>	99
7.	Profit Before Tax	<b>4,121</b>	2,611
8.	Taxes	<b>1,412</b>	911
9.	Profit After Tax	<b>2,709</b>	1,699
10.	Net Worth	<b>21,631</b>	19,779

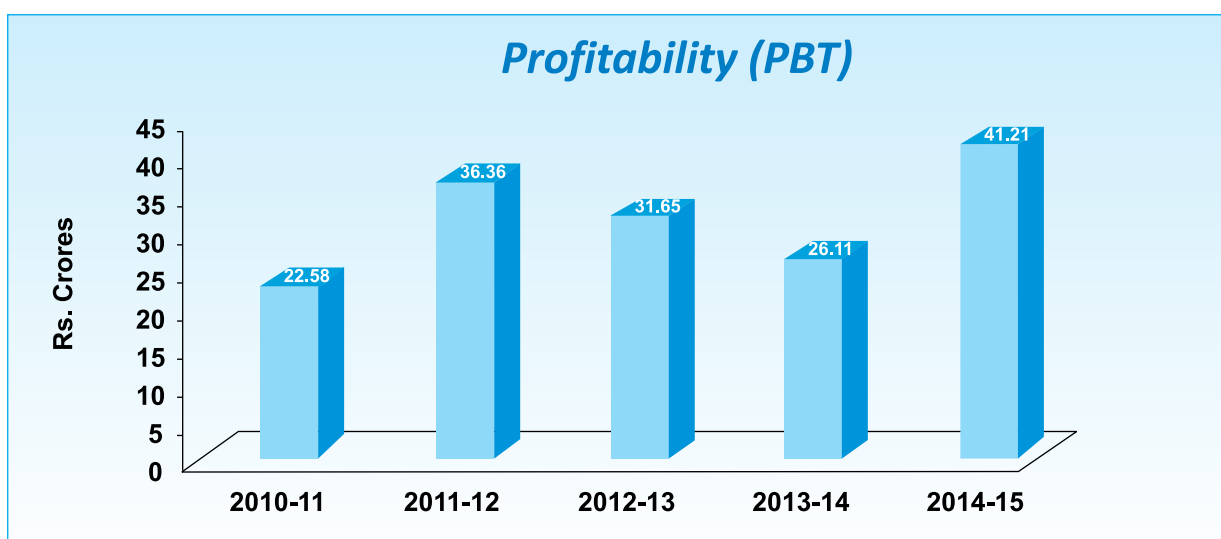
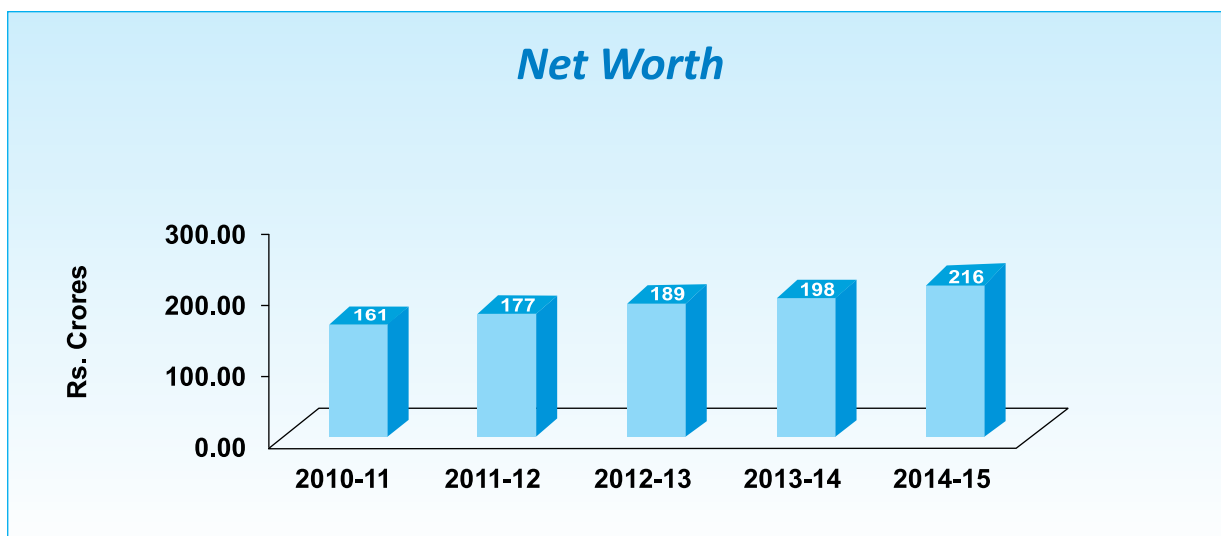
The Net Worth of the Company increased from ₹ 19,779 lakhs to ₹ 21,631 lakhs which is an increase of 9.36 % over the previous year. The return on capital employed in 2014-15 is 22.32% as against 17.96% in 2013-14.

### Turnover - Domestic & Foreign



## 2. CAPITAL STRUCTURE

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



## 3. DIVIDEND & RESERVES

Your Directors recommend a dividend of ₹ 2 per share for the year 2014-15 which is 20% of the paid-up share capital of the Company. The dividend would be paid after approval by the Shareholders at the Annual General Meeting of the Company. The total outgo on account of Dividend and Dividend Distribution Tax for the year 2014-15 would be ₹ 708 lakhs and ₹ 144 lakhs respectively.

Your Directors propose to transfer an amount of ₹ 200 lakhs to the General Reserve of the Company and carry forward balance profit.

Accordingly, the balance amount in the Reserves & Surplus account as on 31st March, 2015 stand at ₹ 18,089 lakhs.



#### 4. MARKETING ACHIEVEMENTS

During the financial year 2014-15, Company has secured projects worth ₹ 1915.88 crores. Some of the major projects secured are given below:

Sl. No.	Name & Place of the Project	Client	Value (₹Crores)
1.	Project Management & Execution Consultant for setting up of Medical college and Hospital in Sundergarh District, Odisha.	NTPC Limited, Noida	325.00
2.	PMC for Construction and Development of New Polytechnic Institutes / Engineering colleges in the State of Jharkhand, Strengthening of Existing Technical Institutes and other Infrastructural Development Works.	Department of Science & Technology, Govt. of Jharkhand, Ranchi	210.00
3.	Construction of Campus of National Institute of Pharmaceutical Education & Research (NIPER) at Guwahati.	National Institute of Pharmaceutical Education & Research (NIPER)	159.00
4.	Water Supply Scheme Singrauli ( First Package )	The Municipal Corporation Singrauli, M.P.	101.83
5.	Construction of Phase - I Works Comprising Research Lab with R&D Office, Hostel Block, STP including Associated Works for National Institute of Animal Biotechnology (NIAB) at Hyderabad.	HSCC ( India ) Ltd., Noida.	91.24
6.	Extension of Academic Complex Phase - V at IIT Guwahati Campus, Guwahati	Indian Institute of Technology, Guwahati.	69.45
7.	UGD Scheme to Bailhongal Town of Belgaum District including: a) Laying and Jointing of Sewer Lines, Construction of Manhole Chambers, Screen Chamber, Grit Chamber and Wet Well. b) Construction of 8.28 MLD Capacity Aerated Lagoon and Allied Works.	Karnataka Urban Water Supply & Drainage Board, Dharwad, Karnataka.	54.86
8.	PMC & Contract Work for completing the Construction of Innovation Park Building of Centre for Development of Advance Computing (C-DAC), Pune.	Centre for Development of Advanced Computing (C-DAC) Pune, Maharashtra.	51.41
9.	Construction of Diversion Weir from Hodirayanahalla to Jambadahalla and Appurtenant Works under Hodirayanahalla Diversion Scheme, Bhadravathi.	Karnataka Neeravari Nigam Ltd., Bhadravathi, Karnataka	45.04
10.	Project Monitoring & Construction Supervision and Architect Engineering Services for Coal Handling and Ash Handling System for Feroz Gandhi Unchahar Thermal Power Project Stage IV (1x500MW) at Unchahar, Raebareli, UP.	NTPC BHEL Power Projects Private Limited (NBPPL)	13.92

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

1. Engineer-3 project, Oman at a value of ₹ 1376.99 crores.
2. Project Management Consultancy for Development of Campus of Central University of Jammu, Jammu at a value of ₹ 1187.91 crores.
3. Augmentation of Raw Material Receipt & Handling facilities with new OHP (Pkg. No. 061) of Bhilai Steel Plant, Bhilai at a value of ₹ 550.82 crores.
4. Augmentation of Fuel & Flux crushing facilities (Pkg. No. 064) of Bhilai Steel Plant, Bhilai at a value of ₹ 287.81 crores.



#### ***Bhilai Steel Plant Project - Wagon Tippler & Twin Boom Stacker***

5. Construction of Rajiv Gandhi University of Knowledge Technologies, Phase-I at two constituent campuses, Basar & Nuzvid, in AP, at a value of ₹ 216.44 crores.
6. Construction of Bihar Police Academy, Rajgir, District Nalanda (Bihar) at a value of ₹ 181.16 crores.
7. Raw Water Pipe Line & Associated Works for Onshore Gas Terminal at Mallavaram, Andhra Pradesh for Deen Dayal Field Development Project for Gujarat State Petroleum Corporation Ltd. at a value of ₹ 104.00 crores.
8. Construction of Super Speciality Hospital for Govt. Rajaji Medical College, Madurai Under PMSSY Phase - II at Madurai, Tamil Nadu at a value of ₹ 81.05 crores.



#### ***FGUTPP (1×500MW) Unchahar (U.P) - Erection of Boiler House in Progress***



***Inauguration of Border Out Posts of Battali & Karamtilla in South Tripura***

9. Construction of Infrastructure Development Work at SIIDCUL Phase-II at IIE, Sitarganj, Uttarakhand at a value of ₹ 74.68 crores.
10. Supply & Laying of Pipes, special, fitting and valves for Transmission Main & Distribution system in Vavuniya WSS, and Surface Water Development in Chilaw & Puttalam – Dry Zone Urban Water & Sanitation Project in Sri Lanka at total value of ₹ 69.74 crores.

**Projects Completed in India**

The Company has completed following major projects during the year:

- i. Construction of Tezpur Medical College & 500 Bedded Hospital at Tezpur, Assam
- ii. Construction of Ch. Charan Singh Dam at Lahchura, Jhansi (U.P.).
- iii. Construction of Expansion of Workshop, Mech. Lab, Elec. Lab, etc. at NITA, Agartala, Tripura.
- iv. Construction of Polytechnic Institute at Garhwa, Jharkhand.
- v. Planning, Design & Construction of College of Agricultural Engineering & Post Harvest Technology at Ranipool, Sikkim.



***Sports Complex Centre, Bilaspur-Outdoor and Indoor Stadium***

- vi. Construction of HIG & MIG-II Houses under SFS at Deverakonda, Nalgonda, AP.
- vii. Construction of College of Agriculture Iroisemba, & Andro Research Farm at Imphal, Manipur.
- viii. Construction of Main Entrance Gate, Boundary Wall & Landscaping, Architecture Building and Canteen Building at NIT, Raipur, (C.G.)
- ix. Construction of Buildings for Bharat Dynamics Ltd. at Visakhapatnam, AP.

## **5. ORDER BOOK POSITION**

After the close of the year 2014-15 (i.e. from April 2015 till July 2015), your Company secured orders worth ₹ 3205 crores. This includes one award for Engineer-3 project (phase – 2) at Oman worth USD 470 million.

## **6. PERFORMANCE RATING UNDER MOU**

The performance of the Company has been rated “Very Good” by the Department of Public Enterprise (DPE) in terms of MoU signed by the Company with the Government for the year 2013-14.



*Inauguration of National Physical Laboratory, New Delhi*

## 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 Limited, has reaffirmed the long term rating at 'ICRA A+' and short term rating at 'ICRA A1+' for non-fund based limits of the Company. The outlook on the long-term rating is stable.





## 9. VIGILANCE ACTIVITIES

Vigilance Division, headed by Chief Vigilance Officer (CVO), focusses on ensuring transparency, accountability & integrity through periodical inspections, checks and promoting good governance practices through Preventive Vigilance.

The Division has introduced a number of new initiatives to enhance the transparency in operations during the period and instructions have been issued from time to time to various offices to comply with CVC's directions. The Company has implemented various preventive measures like Whistle Blower Policy, Fraud Prevention Policy, Risk Management, Sevottam Complaint Public Grievance Redressal System and Right To Information Act.

During the year, EPIL participated in Annual Zonal/Sectoral Review Meeting held on 25.07.2014 with CVC at "Satarkata Bhawan", New Delhi. CVO and officers of Vigilance Division attended Interactive Meeting with CVC on 19<sup>th</sup> September, 2014 at Scope Complex, New Delhi.

Our Company observed "Vigilance Awareness Week" with effect from 27.10.2014 to 01.11.2014 in its Corporate/Regional & Site offices with great zeal. On this occasion, an Essay Competition on "Combating Corruption – Technology as an enabler" and Poster Competition on "Simple Tools in Combating Corruption" were conducted for employees.

## 10. HUMAN RESOURCE

Company has been focusing on augmenting its manpower in the wake of recently secured projects in India and abroad like Oman and Sri Lanka in addition to newly acquired and existing domestic projects. Company focusses on acquiring best talent with required skills to cater to its manpower needs. The Company has 436 employees as on 31<sup>st</sup> March, 2015. The Company has 47 women employees (10.8%) and 363 employees are technically and professionally qualified.

Company considers its employees as valued assets and focusses on welfare of its employees including minorities and women employees and their technical, communication and personal skills are strengthened year after year by organizing various Inhouse and external training programmes, seminars and workshops to cope up with current business requirements. In addition, various Social Security schemes like Post-Retirement Medical Benefit, Provident Fund, Gratuity, Group Accidental Insurance and Benevolent Fund Scheme are in place in the Company.

## 11. SC/ST PERSONNEL

The number of SC/ST employees on the rolls of the Company as on 31<sup>st</sup> March 2015 was 85 (including 4 women employees) which constituted 19.49% of the total strength.

## 12. PHYSICALLY CHALLENGED PERSON

The number of physically challenged persons as on 31<sup>st</sup> March 2015 was 8 which constituted 1.83% of the total strength.



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

### 13. PROPAGATION OF RAJBHASHA/HINDI

EPI follows all Government guidelines on implementation of Rajbhasha/Hindi at its Corporate Office and Regional Offices. Section 3 (3) of Official languages Act, 1963 (as amended, 1967) has been uploaded on website which emphasizes mandatory usage of Hindi and English language in various works of the Company.



***Hindi Pakhwara Samaroh***

EPI is a member of NARAKAS (Nagar RAjbbhasha KARayanvyan Samiti) and nominations are sent on regular basis for participation in various programmes and competitions (In Hindi) organized by NARAKAS. Hindi Divas/ “Hindi Pakhwara” is being celebrated from 01<sup>st</sup> September to 14<sup>th</sup> September every year in which various competitions for employees and their families are organized like Writing competition, Poem Recitation, Chitra Abhiviyakti, Dictation, Noting-Drafting, Hastakashar, Debate, Quiz etc. A Smriti Puraskaar Yojana in the name of “Swargiye Shankar Dayal Singh” has been introduced and implemented in order to encourage the employees to come forward and participate in competitions organized in the annual function of “Hindi Divas” / “Hindi Pakhwada Samaroh”.

To generate awareness and interest among the employees regarding importance of Rajbhasha various Hindi Workshops (‘Karyashalas’) are conducted on a quarterly basis and for contribution towards official correspondence in Hindi Language, a Cash Reward Scheme is well in place. Contribution of Hindi writing in any form viz. article/ Essay on behalf of Company to various PSUs is being done on regular basis. On-line Quarterly Progress Report are submitted to the Ministry of Home Affairs, (Deptt. of O.L), Rajbhasha Vibag, as per the instructions issued by the Ministry vide their letter dated 16th April, 2013.

To promote the importance of Hindi, a quarterly magazine named ‘EPI Samachar’ is published in Hindi language regularly for internal and external circulation.

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

The Company has instituted a Complaints Committee for redressal of sexual harassment complaints (made by the victim) and for ensuring time bound treatment of such complaints.

#### 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, equitable, transparent, competitive and cost effective. Company believes in promoting inclusive growth and equitable development by facilitating businesses of small scale entrepreneurs and developing micro and small scale industry. Company complies with the policy like issue of tender documents free of cost/ waiver of EMD to registered MSMEs.

#### 16. AWARDS RECEIVED

An award was presented to EPI by Nagar Rajbhasha Karvayan Samiti (NARAKAS), Rajbhasha Vibhag, Delhi in the year 2015 for organizing competitions on behalf of NARAKAS .



*Award to EPI by NAGar RAjbhasha KARayanvyan Samiti (NARAKAS)*



## 17. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

## 18. ECONOMY IN ADMINISTRATIVE EXPENDITURE

Keeping in view the Government Directives, Company achieved economy in administrative expenditure in EPI during the year 2014-15.

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

There is no change in the position of company's directorships since the date of last annual report. As on 31<sup>st</sup> March, 2015, the Board of EPI comprises following six directors:

S. No	Name	With effect from
1.	Shri SPS Bakshi, Chairman-cum-Managing Director	05.02.2009
2.	Shri A.V.V.Krishnan, Director (Finance)	10.10.2013
3.	Shri Vinoo Gopal, Director (Projects)	02.01.2012
4.	Shri R.K.Singh, Part-time (Official) Director	30.11.2012
5.	Shri S.S.Dubey, Part-time (Official) Director	08.05.2013
6.	Dr. K.S.Rao, Part-time (Non-official) Director	04.02.2014

During the year 2014-15, Chairman-cum-Managing Director (CEO), Director (Finance) (CFO), functional director (s) and Company Secretary have been declared as Key Managerial Personnel (KMP).

Following KMPs have joined or resigned from EPI during the year 2014-15:

- 1) Smt. Sumita Sharma, Company Secretary left EPI on 30.09.2014 (F/N).
- 2) Smt. Sudha Venkata Varadhan assumed charge as Company Secretary in EPI on 30.09.2014.

## 20. DIRECTOR'S RESPONSIBILITY STATEMENT

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

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended on 31<sup>st</sup> March, 2015 and of the profit of the Company for that period;



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

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

Dr. K.S. Rao, Independent Director, has given a declaration that he meets the criteria of independence provided in section 149 (6) of the Companies Act, 2013.

## 22. NO. OF MEETINGS

During the year, Eight (8) meetings of the Board of Directors were held. Details are given in Report on Corporate Governance annexed with this report at **Annexure B**.

## 23. AUDITORS

### a) Statutory and Branch Auditors

The Statutory and Branch Auditors of the Company appointed by Comptroller and Auditor General of India (C&AG) for the year 2014-15 are as under-

S.No	Name of the Firm	Region
1.	M/s. Satyendra Jain & Associates, New Delhi	Statutory Auditors
<b>Branch Auditors :</b>		
1.	M/s. Satyendra Jain & Associates, New Delhi	Northern Region Branch Auditors
2.	M/s. De Chakraborty & Sen, Kolkata	Eastern Region Branch Auditors
3.	M/s. ABM and Associates LLP, Mumbai	Western Region Branch Auditors
4.	M/s. Yoganandh & Ram, Chennai	Southern Region Branch Auditors
5.	M/s MHMY Auditors, Oman	Oman Branch Auditors
6.	M/s Jayasinghe & Co., Sri Lanka	Sri Lanka Branch Auditors

### b) Secretarial Auditor

The Company has appointed M/s. Vishal Agarwal & Associates as Secretarial Auditor for the Year 2014-15 in compliance to the provisions of section 204 of the Companies Act, 2013 read with Rule 9(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### c) Cost Auditor

The Company has appointed M/s A.G. Agarwal & Associates as Cost Auditor for the financial year 2014-15 in compliance with the provisions of Section 148(1) of the Companies Act, 2013.



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

### **STATUTORY AUDIT REPORT**

The Statutory Audit Report for the year 2014-15 and reply to comments on accounts, if any, is annexed to this report.

The Statutory Audit Report does not contain any qualification, reservation or adverse remark.

### **SECRETARIAL AUDIT REPORT**

The Secretarial Audit Report for the year 2014-15 and reply to comments, if any, is annexed to this report.

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

During the year 2014-15, no loan, guarantee or investment under section 186 of the Companies Act, 2013 have been made.

## **26. DISCLOSURE OF PARTICULARS**

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

### **26.01 Energy Efficiency and its Conservation –**

Energy efficiency means getting the most from the energy we use and energy conservation means avoiding using energy and avoiding wasting energy. Conservation measures generally cost very little because they involve changes to our behavior.

The Company constantly endeavors to use energy efficiency techniques like using CFL/T5/LED fixtures in various projects/offices, use of star rated appliance like air Conditioner, geyser in Projects/ Offices, use of Renewable energy such as Solar/wind Energy in its projects at Bihar Police Academy project & Border Outpost projects.

### **26.02 Technology Absorption**

#### **a) Research and Development**

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

A study was undertaken for replacing HPSV lamps with LED lamps in Border flood lighting works, which will result in savings in capital & running costs. The study has been done for future projects in BFL work.



b) **Technology Absorption**

EPI is using latest surveillance system in Border management with Northern Command using FLIR PT 606 Dual Thermal /CCD Day Night Camera Array with 36\*1 CCD Zoom and 100MM Thermal Lens.

The Company also has also signed MoU with POMA, VORPEE, FRANCE in the field of design, engineering development, supply of equipment for ropeway installation & servicing of commercially viable Ropeway system.

c) **Information Technology and Enterprise Resource Planning (ERP)**

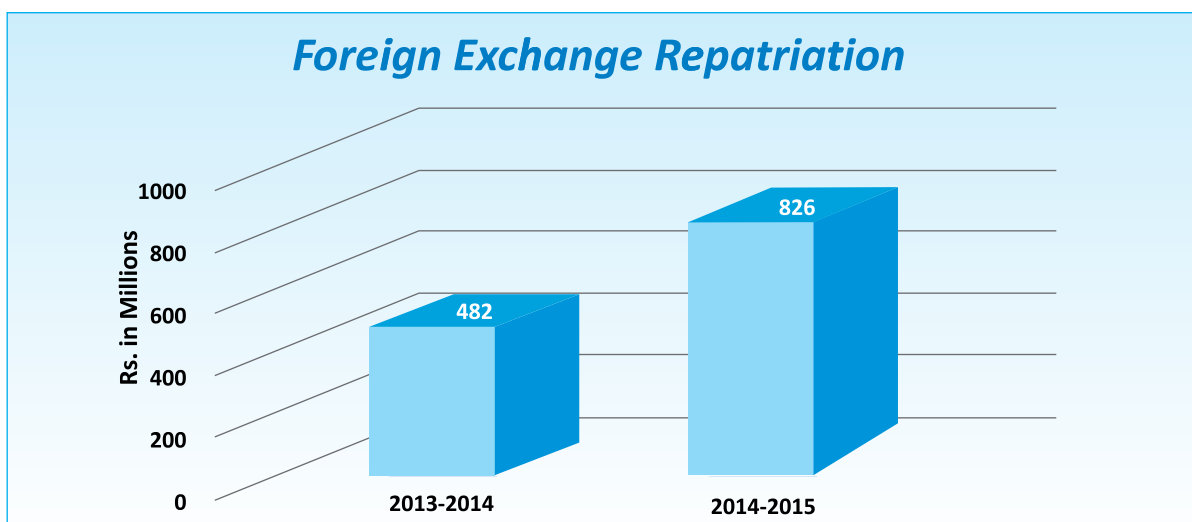
Software applications are implemented for various functions such as Salary, Accounting, Bank Guarantee system, Biometric Attendance System, Complaint Monitoring System, Online Recruitment System and project monitoring using cloud based monitoring system.

The implementation of ERP-SAP for modules HR & Payroll, Financial Management and Document Management have been completed.

Successfully implemented video conferencing system and connectivity provided to ERO, NERO, WRO and SRO. Replacement of computers/peripherals as per IPV6 guidelines are in progress. Implementation of MPLS (WAN) at CO & ROs is in progress.

**26.03 Foreign exchange earnings and outgo**

During the year 2014-15, the Company earned a foreign exchange of ₹ 59,315 lakhs against ₹ 34,570 lakhs in the previous year. The expenditure incurred in Foreign Exchange is ₹ 51,444 lakhs in 2014-15 against ₹ 30,486 lakhs in 2013-14.





## 27. QUALITY MANAGEMENT

EPI has been certified for Integrated Management System, which covers the ISO 9001:2008, QMS (Quality Management System), ISO 14001:2004, EMS (Environment Management System), (Occupational Health & Safety Assessment Series) OHSAS 18001:2007 i.e. OHSMA (Occupational Health & Safety Management System).

QMS i.e. ISO 9001:2008 and EMS i.e. ISO 14001:2004 cover all areas of operations of EPI, which includes design, procurement and implementation of Multi-disciplinary industrial and other construction projects from concept to commissioning. OHSMS i.e. OHSAS 18001:2007, is applicable to Corporate Office.

## 28. STATUTORY INFORMATION REGARDING EMPLOYEES AS REQUIRED UNDER COMPANIES ACT, 2013

No employee either in India or abroad has drawn remuneration of ₹ 5,00,000/- per month or more or ₹ 60,00,000/- per annum or more during the year 2014-2015.

## 29. CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY

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

## 30. CFO CERTIFICATION

CFO Certification is attached with Report on Corporate Governance.

## 31. DEPOSITS

The company has not taken any Deposits covered under or which are not in compliance with the requirements of Companies Act, 2013.

## 32. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

## 33. 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.

## 34. EXTRACTS OF ANNUAL RETURN

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



### 35. ACKNOWLEDGEMENT

Your Directors acknowledge with deep sense of appreciation the cooperation and support received from Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry and other Ministries and Organisations of the Government of India and State Governments. Your Directors express their gratitude to various clients and Banks for the confidence reposed by them and appreciate the contribution of the sub-contractors, vendors and consultants in implementation of the projects. Your Directors are also thankful to the Government Auditors, Statutory Auditors, Secretarial Auditors, and Cost Auditors for their suggestions. Your Directors wish to place on record their appreciation for the dedication and commitment of every member of the EPI family who has contributed towards the growth of EPI.

**For and on behalf of the Board**

Sd/-

**(S P S Bakshi)**

**Chairman-cum-Managing Director**

**DIN: 02548430**

Place: New Delhi

Dated: 4<sup>th</sup> September, 2015



***Vikrama Simhapuri University, Nellore - Academic Building***



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **INDUSTRY STRUCTURE AND DEVELOPMENT**

According to Asian Development Bank (ADB) report, India's economy is expected to grow significantly in 2015 due to the progress in the government's structural reform agenda and improved external demand high investor confidence. India is expected to grow faster than the People's Republic of China in the next few years.

According to the World Bank, India is second only to China in terms of the number of Public Private Partnership (PPP) projects.

Price Waterhouse Coopers estimates that India will become the world's third largest economy by 2050. The Planning Commission in its Twelfth Five Year Plan Document (2012-17) expects investments in infrastructure projects to be worth of US\$ 1 Trillion over the five years of the plan.

According to the Department of Industrial Policy and Promotion (DIPP), the Infrastructure industry focus from the Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. The sector includes power, bridges, dams, roads and urban infrastructure development. Foreign Direct Investment (FDI) received in construction development sector from April 2000 to January 2015 stood at US\$ 24,028.19 million.

Government of India has planned various initiatives:

#### **1. Smart Cities:**

Indian government planned to build 100 smart cities and has allocated US\$ 1.2 billion for this project in its 2014-15 budget. The Mission will cover 100 cities and its duration will be five years (FY 2015-16 to FY 2019- 20), evaluated under the Ministry of Urban Development (MoUD). The government has allocated an amount of ₹ 98,000 crore (US\$ 15,329.26 million) to execute 100 smart cities, and the Atal Mission for Rejuvenation and Urban Transformation (AMRUT), which is an urban rejuvenation programme for 500 towns and cities in next 5 years.

#### **2. Ganga Cleaning:**

National Ganga River Basin Authority (NGRBA) has started the Mission Clean Ganga through four different sectors, namely, of waste water management, solid waste management, industrial pollution and river front development. NGRBA has been mandated as a planning, financing, monitoring and coordinating authority for strengthening the collective efforts of the Central and State governments for effective abatement of pollution and conservation of river Ganga, to ensure that by the year 2020 no untreated municipal sewage or industrial effluent will flow



into the river Ganga. Under NGRBA programme, projects worth ₹ 4607.82 crore have already been sanctioned.

### **3. Low-cost airports to connect Tier-II, Tier-III towns:**

The Government has plans to develop 200 low-cost airports in Tier-II/Tier-III towns across country in the next few years and has already identified 50 such cities under the first phase of this development. Moreover, Airports Authority of India (AAI) has drawn up a low-cost model as the first step to provide air connectivity to these smaller towns. Ministry of Civil Aviation has plans for the development of 50 no-frill airports in several states and Greenfield airports which are in the pipeline for Navi Mumbai, Goa, Kannur, Pune, Sriperumbudur, Bellary and Raigarh.

During the 12th Plan (ending March 31, 2017) alone, about ₹ 1,500 crore is being earmarked to develop non-metro airports. Government is also considering upgrading some airports in Tier-II cities into international airports. Airports at Bhopal, Indore and Raipur would soon be declared as International Airports.

### **4. Development of Ports in India:**

India's basic infrastructure will be changed in five years, said "Union Minister for Road Transport and Highways, Shipping", while unveiling plans for ₹ 10 trillion (US\$ 158.19 billion) investment in highways and shipping sectors by 2019. India has 13 major ports and about 200 non-major ports. Cargo traffic is expected to reach 1,758 MMT by 2017.

The Government of India has set an ambitious target to convert 101 rivers across the nation into waterways in order to promoting water transport to propel economic growth. A massive investment into India's ports and its road sector has been announced by Indian Minister for Shipping, Road Transport and Highways, which is expected to help boost the country's economy.

### **5. Delhi-Mumbai Industrial Corridor (DMIC)**

The Government has unveiled plans to invest US\$ 137 billion in its decrepit rail network over the next five years, to building infrastructure needed to unlock faster economic growth.

Delhi-Mumbai Industrial Corridor is a mega infra-structure project of USD 90 billion with the financial & technical aids from Japan, covering an overall length of 1483 KMs between the political capital and the business capital of India, i.e. Delhi and Mumbai. The corridor project, being developed in co-operation with the government of Japan and is one of the largest infrastructure projects planned in India, aiming to develop new industrial cities as "Smart Cities" along the corridor across the states. The DMIC has approved nine projects ₹ 1.2 lakh crore including the Model Solar Power Project Neemrana, Water Desalination Project at Dahej, Vikram Udyogpuri project in Ujjain and the Integrated Industrial Township project in Greater Noida.



**Central University Jammu Project - Inauguration of DDE Building**

## SWOT Analysis

### Strength and Weakness

The Company can offer wide range of services in almost all areas of Engineering & Construction and has Pan- India Presence. The Company has proven Competency in Civil Engineering /Project Management and has capability for taking up multi-disciplinary Projects. Moreover, the Company is a debt free company.

However, the Company is Operating in a highly competitive market and faces stiff competition in domestic market from other PSUs and private companies.

### Opportunities and Threats

Opportunities in Greenfield projects across all infrastructure sub-sectors, eased FDI norms for the infrastructure sector, technological tie ups with Indian and Overseas Companies, newer means of project financing and execution like BOT/BOLT/BOOT, tie-ups with domestic and overseas companies for “Make in India” initiatives would further enhance the business prospects of the company.

However, the prospects may be affected due to natural calamities such as earth quake and floods preventing construction boom coupled with infrastructure market crowded with multiple players with deeper Pockets.

## SEGMENT WISE AND PRODUCT WISE PERFORMANCE

Industrial, Process Plant, Material Handling & Electrical Projects is the highest contributor to the turnover of the Company, followed by Housing & Building works, the percentage share of which has increased from 26.29 % in the year 2013-14 to 33.27% in the year 2014-15. The percentage share of other segments have also increased marginally during the year 2014-15.

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

(₹ in Crores)

Sl. no	Segments of Projects	2012-13		2013-14		2014-15	
		Turnover	%	Turnover	%	Turnover	%
1	Housing & Building Works	471.89	56.14	224.78	26.29	343.12	33.27
2	Dams & Irrigation Projects	10.59	1.26	5.74	0.67	5.42	0.53
3	Industrial, Process Plant, Material Handling & Electrical Projects	323.52	38.48	582.83	68.15	581.42	56.38
4	Water Supply & Environmental Schemes	12.94	1.54	9.57	1.12	44.70	4.33
5	Transportation Structures	19.73	2.35	3.02	0.35	13.16	1.28
6	Other Projects	1.94	0.23	29.22	3.42	43.46	4.21
	<b>Total</b>	<b>840.61</b>	<b>100</b>	<b>855.16</b>	<b>100</b>	<b>1031.28</b>	<b>100</b>

## OUTLOOK

The Indian Government is taking every possible initiative to boost the infrastructure sector. Recently, the Government has relaxed rules for FDI in the construction sector by reducing minimum built-up area as well as capital requirement and liberalised the exit norms.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an effective and robust internal control system which ensures efficiency in the conduct of business, adherence to policies and plans, safeguarding of assets and compliance to existing laws and Regulations.

The Internal Audit Department of the Company is headed by a qualified and experienced Officer of the rank of Additional General Manager (Finance), who is reporting directly to the Chairman and Managing Director, supported by an in house team of professionally qualified and experienced personnel. The recommendations of the Internal Audit Department and the effectiveness of Internal Control System are periodically reviewed by the Management and Audit Committee as a step towards continuous strengthening of these systems.



*Bhilai Steel Plant- Junction house along with Conveyor Gallery*



## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO THE OPERATIONAL PERFORMANCE

During the year 2014-15, the Company achieved operating turnover of ₹ 103128 lakhs as against the previous year turnover of ₹ 85517 lakhs and earned Profit Before Tax (PBT) of ₹ 4121 lakhs as against previous year's PBT of ₹ 2611 lakhs. The Gross Margin of the year was ₹ 4926 lakhs as compared to ₹ 3652 lakhs in the previous year.

The net worth of the Company has increased by ₹ 1852 Lakhs from ₹ 19779 lakhs in the year 2013-14 to ₹ 21631 lakhs in the year 2014-15.

The Board has proposed a dividend of ₹ 708.45 lakhs, which is 20 % of the paid up share capital of the Company.



*National Institute of Technology, Raipur*

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

Execution of projects in diversified fields require specific specialized skills at each level in the organization. The present focus of the Company is on hiring best suited talent for execution of on-going projects as well as new projects secured in India and foreign countries. The Company aims to have right mix of talent to grow with the organization.

Industrial relations remained harmonious and peaceful during the year. Employees' views are also taken into consideration from time to time while finalizing various policies of the Company.



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

### a) Environmental Protection & Conservation

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. In Bihar Police Training Academy Project at Rajgir 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. have been undertaken, which will qualify for 5 star rating from GRIHA. The Jammu University Complex is constructed entirely as per GRIHA norms. GRIHA Norms were also followed in the furnishing and finishing work of Income Tax Aaykar Bhavan, New Delhi and the Company obtained two star rating from GRIHA.

### b) Technological Conservation

As a part of Technological Conservation, EPI started using excavated material like Limestone/ Clinkers for stabilization of sand dues for construction of roads and fence foundation at project sites, this resulted in saving of construction cost.

### c) Foreign exchange conservation

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

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

## Cautionary Statement

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



## REPORT ON CORPORATE GOVERNANCE

### 1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

### 2. BOARD OF DIRECTORS

#### (A) Composition of the Board

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

Presently six directors are in position viz. Chairman-cum-Managing Director, Director (Projects), Director (Finance), two Part time Official Directors [Government nominees], and one Part Time (Non- Official) Director [Independent Director].The position of two Independent Directors is lying vacant. Presently there are no Women Director on the Board of EPI. 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, and Annual General Meeting (AGM), and other Directorships held during the year 2014-15 are given below:**

Name of Directors	Category	Board Meeting attended	AGM attended	No. of Directorships other Public Companies (excluding EPI)	Tenure
<b>(a) Whole Time/Functional Directors</b>					
<b>Shri SPS Bakshi</b> DIN: 02548430	Chairman-cum- Managing Director	8/8	Yes	Nil	w.e.f 05.02.2009
<b>Shri Vinoo Gopal</b> DIN: 05173442	Director (Projects)	8/8	Yes	Nil	w.e.f. 02 .01.2012
<b>Shri A.V.V. Krishnan</b> DIN: 06404202	Director (Finance)	8/8	Yes	Nil	w.e.f. 10.10.2013



<b>(b) Govt. Nominees/Part-Time Official Directors</b>					
<b>Shri R.K. Singh</b> Joint Secretary , Ministry of Heavy Industries & Public Enterprises DIN: 06459343	Director	7/8	No	5 (SIL, AYCL, TWOCL, BHEL)*	w.e.f. 30.11.2012
<b>Shri S.S. Dubey</b> Chief Controller of Accounts (CCA), Ministry of Heavy Industries & Public Enterprises DIN: 06601151	Director	6/8	No	HMT Machine Tools Limited	w.e.f. 08.05.2013
<b>(c) Independent Director/Part Time (Non- Official) Director</b>					
<b>Dr. K.S. Rao</b> Professor, Department of Commerce and Management Studies, Andhra University, Visakhapatnam DIN: 03383447	Director	8/8	Yes	Nil	w.e.f. 04.02.2014 (earlier from 16.12.2010 to 15.12.2013)

\* **Abbreviations used:** SIL – Scooters India Ltd.; AYCL – Andrew Yule co. Ltd.; TWOCL – Tide Water Oil Co. India Ltd.; BHEL – Bharat Heavy Electricals Limited

There is no change in the position of company's directorships since the date of last annual report.

### **(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 2014-15, Eight (8) 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.	23.04.2014	6	6
2.	21.07.2014	6	5
3.	28.07.2014	6	6
4.	25.08.2014	6	6
5.	29.09.2014	6	4
6.	15.12.2014	6	6
7.	10.03.2015	6	6
8.	26.03.2015	6	6

**(E) Brief Resume of the Directors, presently on the Board including those who joined the Board in 2014-15.**

**I) Shri SPS Bakshi, Chairman-cum-Managing Director**

Shri SPS Bakshi joined EPI as Chairman-cum-Managing Director on 05.02.2009. Shri Bakshi is a Post Graduate in Highways & Trans. Engineering and MBA in Human Resource Development. He is a Fellow Member of the Institution of Engineers (India) and a Member of the Institute of Transportation Engineers, USA. Shri Bakshi has a rich and comprehensive experience of 34 years in the field of Project Planning & Management with special reference to Implementation of Mega Buildings & Airports and Highway Projects on turnkey basis. He has also handled projects on Public Private Partnership basis. Before joining EPI, Shri SPS Bakshi has worked at senior positions in Airports Authority of India and National Highways Authority of India. He has handled major Infrastructure Airports and Highways Projects of national importance.

**II) Shri Vinoo Gopal, Director (Projects)**

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



### **III) Shri A.V.V. Krishnan, Director (Finance)**

Shri A.V.V. Krishnan joined EPI as Director (Finance) on 10.10.2013. He has more than 32 years experience in Finance/Accounts/Auditing in India and abroad. He is an Associate Member of Institute of Cost Accountants of India, Associate Member of Institute of Company Secretaries of India and possesses a Post Graduate degree in Commerce. Shri Krishnan was posted in various projects outside India in countries like Kingdom of Saudi Arabia, Mauritius and Kuwait. Shri Krishnan has experience in almost all spheres of Finance viz. banking, insurance, foreign currency hedging, tendering, cost estimates, project monitoring, etc. He also has rich and comprehensive experience in secretarial and legal matters. Prior to joining EPI, Shri Krishnan has worked with TCIL, LML, Tata Steel, etc.

### **IV) Shri R.K. Singh, Govt. Nominee Director**

Shri Rajesh Kumar Singh joined EPI as part-time official Director on 30.11.2012 as nominee of Government of India. Shri Singh is an IAS officer of 1991 batch. He is B.Tech in Mechanical Engineering and has done Masters of Technology in Thermal Engineering from IIT, Delhi. He has rich and varied experience in the field of public administration and governance issues by virtue of his more than 21 years experience in various Government departments like Land Revenue Management and District Administration, Environment and Forests, Youth Affairs and Sports, Urban Development, Labour and Employment, Human Resource Development, Agriculture and Cooperation, Water Resources etc. He is presently holding, on deputation, the post of Joint Secretary, Department of Heavy Industries. He is credited with introducing many innovative schemes having path breaking results in various districts of Uttar Pradesh and Agriculture Marketing Department of Uttar Pradesh.

### **V) Shri S.S.Dubey, Govt. Nominee Director**

Shri Shyam Sunder Dubey joined EPI as part-time official Director on 08.05.2013 as nominee of Government of India. Shri Dubey is an Indian Civil Accounts Services Officer of 1989 Batch. He has done B.Sc. (Biology), M.Sc (Psychology), M.Phil (National Defence & Strategic Studies), and Post Graduate Diploma in International Business. He has rich, varied, and multi-disciplinary experience of more than 22 years in the field of Accounts, Internal Audit, Finance, Expenditure Control, Budgeting, Office Administration, Programme Management and Procurement, in various Government Ministries/ Departments. He has also worked as Head, Procurement Logistics at United Nations World Food Programme. He has also attended various training programmes like Public Expenditure Management, transparency in Government procurement and World Trade Organisation, UN Workshop on logistics and procurement related areas, UN Conference on Food Security, training on security field awareness, etc. He is presently working as Chief Controller of Accounts, Department of Industrial Policy & Promotion, Ministry of Medium, Small & Micro Enterprises, Ministry of Heavy Industry, and Department of Public Enterprises.



## **VI) Dr. K.S. Rao, Independent Director**

Dr. K. S. Rao is a Professor in the Department of Commerce & Management Studies, Andhra University, Visakhapatnam. Prof Rao has joined EPI as an Independent Director on 16.12.2010. He has rich teaching and research experience of 30 years in the field of Commerce and Management. He is Life Member of All India Commerce Association, Commerce Association of Kerala, Indian Accounting Association and a member of Research Development Association. Dr. Rao has been selected for “UGC career Award” in Commerce in the year (1990). He has been associated with various academic bodies like University Grants Commission, All India Council for Technical Education, National Council for Educational Training and Research, Central Board for Secondary Education and Pandit Sunderlal Sharma Central Institute of Vocational Education, Bhopal etc., He has published number of research papers in various reputed journals. He is also guiding number of scholars for the award of M.Phil and Ph.D. degrees.

## **(F) 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 2/3<sup>rd</sup> 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, both part-time official directors (appointed by Government 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.

## **3. AUDIT COMMITTEE**

The Audit Committee of the Company has been duly constituted by Board with powers and role defined in accordance with DPE Guidelines on Corporate Governance and section 177 of the Companies Act, 2013.

The Audit Committee is reconstituted with change in Directors. The Committee has been reconstituted on 21.07.2014 with the following members:

1. Dr. K.S.Rao, Independent Director, Chairman;
2. Shri R.K. Singh, Govt. Nominee, Member;



3. Shri Vinoo Gopal, Director (Projects), Member;
4. Shri S.S. Dubey, Govt. Nominee, Member.

During 2014-15, the Committee had six meetings on 23.04.2014, 21.07.2014, 25.08.2014, 29.09.2014, 15.12.2014 and 26.03.2015

**The attendance details are as under-**

Member	No. of Meetings held during their respective tenure	No. of Meetings attended
Dr. K.S Rao, Independent Director-Chairman	6	6
Shri R.K Singh, Part-time Official Director-Member	6	5
Shri S.S. Dubey, Part-time Official Director-Member	6	4
Shri Vinoo Gopal, Director (Projects)-Member	6	6

**Terms of Reference of Audit Committee**

The term of reference of Audit Committee is in line with the requirements of Section 117 of the Companies Act, 2013, and DPE Guidelines on Corporate Governance. The same has been revised in terms of Companies Act, 2013 w.e.f.21<sup>st</sup> July 2014 as follows:-

1. The Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
3. Examination of the financial statement and the auditors' report thereon.
4. Approval or any subsequent modification of transactions of the company with related parties.
5. Scrutiny of inter-corporate loans and investments.
6. Valuation of undertakings or assets of the company, wherever it is necessary.
7. Evaluation of internal financial controls and risk management systems.
8. Monitoring the end use of funds raised through public offers and related matters, whenever applicable.
9. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
10. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of the Companies Act, 2013 or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.



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



23. To review the follow up action on the audit observations of the C&AG Audit.
24. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
25. Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors
26. Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
27. Consider and review the following with the independent auditor and the management:
  - a. The adequacy of internal controls including computerized information system controls and security, and
  - b. Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
28. Consider and review the following with the management, internal auditor and the independent auditor:
  - a. Significant findings during the year, including the status of previous audit recommendations
  - b. Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information,
29. The Audit Committee shall also have powers:
  - a. To investigate any activity within its terms of reference.
  - b. To seek information on and from any employee.
  - c. To obtain outside legal or other professional advice, subject to the approval of the Board of Directors.
  - d. To secure attendance of outsiders with relevant expertise, if it considers necessary.
  - e. To protect whistle blowers.
30. The Audit Committee shall review the following information:
  - a. Management discussion and analysis of financial condition and results of operations;
  - b. Statement of related party transactions submitted by management;
  - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d. Internal audit reports relating to internal control weaknesses;
  - e. The appointment and removal of the Chief Internal Auditor shall be placed before the Audit Committee; and
  - f. Certification/declaration of financial statements by the Chief Executive/ Chief Financial Officer
31. Any other function(s) as may be specified in Companies Act, 2013 and rules made there under, and the DPE Corporate Governance Guidelines.



#### 4. OTHER COMMITTEES OF THE BOARD OF DIRECTORS

The following are the other two committees of the Board:

##### i) CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY COMMITTEE

The Company has constituted on 15.03.2013 (reconstituted on 07.02.2014) a Board level Corporate Social Responsibility and Sustainability committee, headed by an Independent Director, in accordance with revised DPE guidelines on Corporate Social Responsibility and Sustainability and Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility policy) Rules, 2014.

The Committee has the following members:

1. Dr. K.S. Rao, Independent Director, Chairman;
2. Shri A.V.V. Krishnan, Director (Finance), Member;
3. Shri Vinoo Gopal, Director (Projects), Member

During 2014-15, the Committee had four meetings on 25.06.2014, 29.09.2014, 15.12.2014 and 26.03.2015.

The attendance details are as under-

Member	No. of Meetings held during their respective tenure	No. of Meetings attended
Dr. K.S Rao, Independent Director-Chairman	4	4
Shri Vinoo Gopal, Director (Projects)-Member	4	3
Shri A.V.V Krishnan, Director (Finance)-Member	4	4

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

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

##### ii) REMUNERATION COMMITTEE

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

The Committee has been reconstituted on 10.03.2015 with following members:

1. Dr. K.S. Rao, Independent Director, Chairman;
2. Shri R.K.Singh, Part time Official Director, Member;
3. Shri S.S.Dubey, Part time Official Director, Member.





Shri Vinoo Gopal, Director (Projects) shall be the permanent invitee to the aforesaid Remuneration Committee.

During the year, provision for Performance Related Pay (PRP) has been made as per DPE Guidelines though no formal meeting of Remuneration Committee was held.

## 5. 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. During the year 2014-15, MCS Limited was the Registrar and Share Transfer Agent and thereafter from April 2015, MCS Share Transfer Agent Limited has been appointed as Registrar and Share Transfer Agent in place of MCS Limited, 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 ₹ 909.40 crores (divided into 909,404,600 equity shares of ₹ 10/- each) and ₹ 35.42 crores (divided into 35,422,688 equity shares of ₹ 10/- each) respectively.

The shareholding pattern of the Company as on 31st March, 2015 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.

During the year, officials were nominated for workshop on "Enterprise Risk Management". The workshop was designed to capture the essence of Enterprise Risk Management in CPSEs,



discuss and understand the interdependencies of risk when formulating the Assessment, Risk Response, Risk Analysis, Risk Appetite and also realize the importance of management insight.

### 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.

## 6. DISCLOSURES

- i) Details of the remuneration paid to the functional Directors and sitting fees paid to Independent Directors during the year 2014-15 are as under:

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

(In. ₹)

Name of Directors	Salary	Benefits	Performance Linked Incentives	Total
Shri. S. P. S. Bakshi Chairman-cum-Managing Director	24,40,964	12,17,682	-	36,58,646
Shri. Vinoo Gopal Director (Projects)	22,29,676	8,54,935	-	30,84,611
Shri. A.V.V. Krishnan Director (Finance)	21,35,712	8,35,738	-	29,71,450

### B: Independent Director:

(In. ₹)

Name of Director	Sitting Fees		Total
	Board Meeting	Committee Meeting	
Dr. K.S.Rao	80,000	75,000	1,55,000

Independent Directors are entitled to sitting fee of ₹ 10,000/- per Board Meeting and ₹ 7,500/- per Board Level Committee Meeting attended by them.

- 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 ₹ 75,000- 90,000 (IDA) and all other whole time director are appointed in the revised schedule "B" scale of pay of ₹ 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 regularly.
- 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 except the Composition of Board and its Committees as Administrative Ministry is in the process of filling the vacancies of Independent Directors.
- viii) During the year, no Presidential Directive was received by EPI.
- ix) During the year, no expenditure is debited to the books and accounts which are not for the purpose of business and no expenses which are of personal nature have been incurred for the Board of Directors and Top Management.
- x) Fraud Prevention Policy is in place in the Company since September 2010 for prevention, detection, and reporting of fraud.
- xi) Administrative expenses as a percentage of total expenses has been 2.43% in 2014-15 as compared to 3.02% in 2013-14. Financial expenses as a percentage of total expenses has been 0.69% in 2014-15 as compared to 1.09% in 2013-14. The decrease in administrative expenses is due to better management of resources and close monitoring of expenses.
- xii) A certificate by chief executive officer and chief financial officer of the Company with respect to the financial statements of the company is placed as **Annexure B1**.
- xiii) Website of the company ([www.epi.gov.in](http://www.epi.gov.in)) 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)
44 <sup>th</sup>	2013-14	September 29 <sup>th</sup> , 2014 at 3:00 p.m.	Core-3, SCOPE Complex, (4 <sup>th</sup> Floor), 7 Lodhi Road, New Delhi-110003
43 <sup>rd</sup>	2012-13	September 30 <sup>th</sup> , 2013 at 3.00 p.m.	Core-3, SCOPE Complex, (4 <sup>th</sup> Floor), 7 Lodhi Road, New Delhi-110003
42 <sup>nd</sup>	2011-12	September 28 <sup>th</sup> , 2012 at 5.00 p.m.	Core-3, SCOPE Complex, (4 <sup>th</sup> Floor), 7 Lodhi Road, New Delhi-110003

Notice of 45<sup>th</sup> Annual General Meeting for the financial year 2014-15 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
44 <sup>th</sup>	2013-14	NIL
43 <sup>rd</sup>	2012-13	NIL
42 <sup>nd</sup>	2011-12	NIL

## 8. RIGHT TO INFORMATION

As per requirement of “Right to Information Act, 2005”, EPI has appointed Group General Manager (P&M) Public Information Officer (PIO) and Regional Heads at Delhi, Kolkata, Mumbai, Chennai, and Guwahati as Assistant Public Information Officer (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 52 applications/ requests received during the year under report.

## 9. MEANS OF COMMUNICATION WITH SHAREHOLDERS

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

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

## 10. AUDIT QUALIFICATIONS

Reply to comments on Accounts by Statutory Auditor and Secretarial Auditor is included as an attachment to the Directors’ Report. Reply to comments of Comptroller & Auditor General of India, if any, 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, Booklet on Role and Responsibility of Directors published by ICSI etc. Directors are also sponsored for the seminars/conferences organized by SCOPE and Institute of Directors (IOD) etc.

## 12. WHISTLE BLOWER POLICY

Since 2010, there exist a whistle blower policy 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.epi.gov.in](http://www.epi.gov.in). All Board members and key officials of the company have affirmed their compliance with the code. A declaration to this effect is annexed to this Report as per **Annexure B2**.

*In addition, Dr. K.S. Rao, Independent Director, has given a declaration that he meets 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**.



*ESIC Project, Joka, Kolkata - New Hostel Building*



## **CERTIFICATION /DECLARATION OF FINANCIAL STATEMENTS BY THE CHIEF EXECUTIVE OFFICER AND 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, 2015 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 2014-15 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 2014-15;
  - b) Significant changes in accounting policies during the year 2014-15 and the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

**(A.V.V. Krishnan)**  
**Director (Finance) and**  
**Chief Financial Officer**

Sd/-

**(SPS Bakshi)**  
**Chairman-cum-Managing Director**  
**and Chief Executive Officer**

Place: New Delhi

Dated: 4<sup>th</sup> September 2015



## **Annexure B2**

### **DECLARATION BY CHAIRMAN-CUM-MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT DURING THE FINANCIAL YEAR 2014-15.**

I, SPS Bakshi, Chairman-cum-Managing Director, Engineering Projects (India) Limited, do hereby declare that all the Members of the Board of Directors and the Senior Management Team of the Company have affirmed their compliance of the Code of Business Conduct and Ethics of the Company during 2014-15.

Sd/-

**(SPS Bakshi)**

**Chairman-cum-Managing Director**

**DIN: 02548430**

Place: New Delhi

Date: 4<sup>th</sup> September, 2015



***ITBP Jabalpur Project - Administrative Block***



## **CORPORATE GOVERNANCE CERTIFICATE**

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

We have examined the compliance of the conditions of Corporate Governance by Engineering Projects India Limited, (hereinafter referred as 'the Company') for the year ended on 31<sup>st</sup> March, 2015 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 except appointment of Independent Directors on the Board of the Company which is to be done by the government and it is understood that the same is under process.

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

For **AGB & Associates**  
Company Secretaries

Sd/-

**Nitin Rawat**  
(Partner)

C.P. No. 10554

Place: New Delhi  
Date: 12/08/2015





## **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 2014-15**

The Company has undertaken following CSR and Sustainability activities during 2014-15:-

**1. Construction of Toilets in 10 Govt Schools under Swachh Vidyalaya Campaign:**

EPI has been allocated 13 toilets i.e. 8 toilets in the state of Assam and 5 toilets in the state of West Bengal. Out of these 13 toilets, 12 toilets were constructed (8 in Assam and 4 in West Bengal) and were handed over to respective school authorities. However towards constructions of 1 toilet in the State of West Bengal, fund has been transferred to West Bengal State Authorities for construction of toilets.

**2. Solar Lighting in and around the schools adopted under Swachh Vidyalaya Campaign:**

Solar Lighting has been provided in and around 9 Schools (5 schools in Assam and 4 schools in West Bengal excluding the schools where funds have been transferred to State Authorities).

**3. Solar lighting at Mustur Gram Panchayat under Sansad Adarsh Gram Yojana Scheme:**

Work order for providing Solar lighting at Mustur Gram Panchayat in the State of Karnataka under Saansad Adarsh Gram Yojana Scheme would be placed in 2015-16 against the approved budget for the year 2014-15.



*Toilets Constructed Under Swachh Vidyalaya Campaign along with Provision of solar Lighting*

## PLAN FOR 2015-16

### Budget

An amount of ₹14.74 lakhs which is 2% of the average net profit for the immediately preceding three financial years (i.e. ₹ 1822.05 Lakhs [2012-13], ₹ 1125.58 Lakhs [2013-14], and ₹ (736.73) Lakhs [2014-15] excluding profits from foreign branches) has been allocated for Corporate Social Responsibility activities for 2015-16.

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



## 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 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.

Generally CSR and Sustainability activities have been carried out in and around EPI offices and project sites locations by engaging specialized agencies NGOs/ Institutions etc.

Progress of every CSR and Sustainability activities is placed before Board of Directors as well Board level CSR and Sustainability Committee.

Corporate Social Responsibility Policy and Plan of the Company is also available at the Company's website at [www.epi.gov.in](http://www.epi.gov.in)

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.

The composition of Corporate Social Responsibility and Sustainability Committee as on 31<sup>st</sup> March 2015 was-

- |   |   |          |
|---|---|----------|
| 1. Dr. K. S. Rao, Independent Director        | - | Chairman |
| 2. Shri Vinoo Gopal, Director (Projects)      | - | Member   |
| 3. Shri A. V. V. Krishnan, Director (Finance) | - | Member   |

The details about meetings of the CSR & Sustainability Committee and attendance are given in Corporate Governance Report.

EPI is also having a Below Board Level CSR and Sustainability Committee headed by an Executive Director as 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 ₹ 2,196.82 lakhs.

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

Prescribed CSR Expenditure for the year 2014-15 was ₹ 43.93 lakhs (2% of ₹ 2,196.82 lakhs).

### 5. Details of CSR spent during the financial year:

#### (a) Total amount to be spent for the financial year 2014-15-

Total budget of ₹ 51.79 lakhs was available for undertaking CSR & Sustainability activities for the year 2014-15 which includes unspent balance of ₹ 7.86 lakhs carried forward from previous year and ₹ 43.93 lakhs (2% of ₹ 2,196.82 lakhs) towards allocation for 2014-15.

#### (b) Amount unspent , if any;

In compliance to DPE Guidelines on Corporate Social Responsibility and Sustainability for CPSEs, ₹ 27.67 lakhs would be carried forward to the next year towards utilization of CSR and Sustainability Activities approved in 2014-15. Out of this, ₹ 12.95 lakhs has already been spent after 31.03.15 against those activities whose work order was placed in 2014-15 and action has also been initiated for the providing Solar lighting in Mustur Gram Panchayat at total value of ₹ 13.20 lakhs against the approved budget for the year 2014-15. Resulting a balance of ₹ 1.5 lakhs which is expected to be carried forward and utilised towards the activities for the year 2015-16.

#### (c) Manner in which the amount spent during the financial year is detailed below-

(₹ 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.	Amount spent: Direct or through implementing agency
1.	Construction of toilets in 10 Govt. Schools in the State of Assam and West Bengal under Swachh Vidyalaya Campaign	Sanitation  [Clause 1 (i) of Schedule VII of the Companies Act, 2013]	1. Local area  2. Dist:- Dhubri, Barpeta & Hailakandi of Assam and Purba Medinipur of West Bengal	28.00	17.94	17.94	Direct by engaging contractors through tender process

2.	Providing Solar Lighting-						
	i. In and around the schools where Construction of toilets have been undertaken	Environmental sustainability	1. Local area 2. Dist:-Dhubri, Barpeta & Hailakandi of Assam and Purba Medinipur of West Bengal	11	4.39	4.39	Direct by engaging contractors through tender process
	ii. Solar lighting at Mastur Village in Karnataka under Sansad Adarsh Gram Yojana Scheme	[Clause 1 (iv) of Schedule VII of the Companies Act 2013]	1. Local area 2. Dist:- Mastur Village, Siddihalli Village and M.M. Kere Village, Davangere, Karnataka	11	Action has already been initiated for placing work order of ₹ 13.20 lakhs		Karnataka State Electronics Development Corporation Limited, (KEONICS), Govt.of Karnataka Enterprise
3.	Contingencies	-	-	1.79	-	-	
4.	Community Development Programme (Activity pertaining to 2013-14)	-	1. Local area 2. Dist:-Nalanda District, Bihar	-	[2.62-0.84*]= 1.78	1.78	Humana People to People India
	<b>TOTAL</b>			<b>51.79</b>	<b>24.11</b>	<b>24.11</b>	

\* On account of CSR and Sustainability activities for the year 2013-14 including amount credited on recovery of asset from HPPI. Implementation of approved activities got affected due to operational constraints. These projects are being carried forward and the unspent amount for these projects is however not going to lapse and is being also carried forward to the next year.

**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 on 31<sup>st</sup> March 2015, ₹ 22.33 lakhs was paid towards approved CSR and Sustainability activities in 2014-15 and ₹ 1.78 lakhs (Net) was spent towards the payment of activities undertaken in the previous year (2013-14). However implementation of approved activities got affected due to operational constraints such as non availability of land in school premises, interruption of work due to rains, initial surveys etc. These projects are being carried forward and the unspent amount for these projects is however not going to lapse and is being also carried forward to the next year.

**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/-  
Director - Finance

Sd/-  
Chairman CSR Committee

Date: 21/08/2015

Place: New Delhi

**FORM NO. AOC -2**

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

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

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

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

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

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

**For and on behalf of the Board**

Sd/-  
**(S P S Bakshi)**  
**Chairman-cum-Managing Director**  
**DIN: 02548430**

Place: New Delhi.

Dated: 04<sup>th</sup> September 2015



## Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March 2015

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

#### I. REGISTRATION AND OTHER DETAILS:

- i) CIN: -U27109DL1970GOI117585
- ii) Registration Date: 16<sup>th</sup> April 1970
- iii) Name of the Company: Engineering Projects (India) Limited
- iv) Category / Sub-Category of the Company: Miniratna, Category II (Schedule B)
- v) Address of the Registered office and contact details: Core-3, Scope Complex, 7 Lodhi Road, New Delhi-110003, Tel : 91-11-24361666
- vi) Whether listed company Yes / No: No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:  
Name: MCS 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	33%
2.	Construction of other civil engineering projects	429	57%

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

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

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	NIL	NIL	NIL	NIL	NIL



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

### i) Category-wise Share Holding

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



g) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B) (1):-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>2.Non-institutions</b>									
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 ₹ 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(2):-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>									
C. Shares held by Custodian for GDR & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	<b>Nil</b>	<b>35422688</b>	<b>35422688</b>	<b>100</b>	<b>Nil</b>	<b>35422688</b>	<b>35422688</b>	<b>100</b>	<b>Nil</b>

## (ii) Shareholding of Promoters

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



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

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

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
1.	The President of India	35415677	99.9784	35415677	99.98
2.	Heavy Engineering Corporation Limited	3575	0.0101	3575	0.0101
3.	Bharat Heavy Electricals Limited	1892	0.0053	1892	0.0053
4.	Mining & Allied Machinery Corporation Limited	490	0.00138	490	0.00138
5.	Triveni 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.	At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Shri SPS Bakshi, Chairman-cum-Managing Director				
	Beginning of the year	Nil	Nil	Nil	Nil
	End of the year	Nil	Nil	Nil	Nil
	Shri Vinoo Gopal, Director (Projects)				
	Beginning of the year	Nil	Nil	Nil	Nil
	End of the year	Nil	Nil	Nil	Nil
	Shri A.V.V.Krishnan, Director (Finance)				
	Beginning of the year	Nil	Nil	Nil	Nil
	End of the year	Nil	Nil	Nil	Nil
	Shri Rajesh Kumar Singh, Govt. Nominee Director				
	Beginning of the year	Nil	Nil	Nil	Nil
	End of the year	Nil	Nil	Nil	Nil
	Shri S.S.Dubey, Govt. Nominee Director				
	Beginning of the year	Nil	Nil	Nil	Nil
	End of the year	Nil	Nil	Nil	Nil
	Dr. K.S.Rao, Independent Director				
	Beginning of the year	Nil	Nil	Nil	Nil
	End of the year	Nil	Nil	Nil	Nil
	Smt. Sudha V.Varadhan				
	Beginning of the year	Nil	Nil	Nil	Nil
	End of the year	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
<b>Indebtedness at the beginning of the financial year</b>	Nil	Nil	Nil	Nil
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Change in Indebtedness during the financial year</b>	Nil	Nil	Nil	Nil
• Addition				
• Reduction				
<b>Net Change</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>



<b>Indebtedness at the end of the financial year</b>	Nil	Nil	Nil	Nil
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		CMD *	Dir. (P)	Dir.(F) *	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2493573	2229676	2167088	6890337
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	440783	412093	397004	1249880
	(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, please specify	0	0	0	0
	<b>Total (A)</b>	<b>2934356</b>	<b>2641769</b>	<b>2564092</b>	<b>8140217</b>
	Ceiling as per the Act	As per the provisions of Section 198 of the Companies Act, 2013			

\* CMD is designated as CEO and Dir (F) is designated as CFO

### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Dr. K.S. Rao	----	----	-----	
	<b>Independent Directors</b>					
	• Fee for attending board / committee meetings	155000				155000
	• Commission					
	• Others, please specify					
	<b>Total (1)</b>	<b>155000</b>				<b>155000</b>
	<b>Other Non-Executive Directors</b>					
	• Fee for attending board / committee meetings					
	• Commission					
	• Others, please specify					
	<b>Total (2)</b>	-				-
	<b>Total (B)=(1+2)</b>	<b>155000</b>				<b>155000</b>
	Total Managerial Remuneration					8295217
	Overall Ceiling as per the Act	As per the provisions of Section 198 of the Companies Act, 2013				



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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO	Company Secretary (Smt. Sumita Sharma)	Company Secretary (Smt. Sudha V Varadhan)	CFO	
1	Gross salary		(01.04.2014 to 29.09.2014)	to (30.09.2014 to 31.03.2015)		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	510342	744324	0	1254666
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission - as % of profit	0	0	0	0	0
	- Others, specify...	0	0	0	0	0
5	Others, please specify	0	0	0	0	0
	<b>Total</b>	<b>0</b>	<b>510342</b>	<b>744324</b>	<b>0</b>	<b>1254666</b>

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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



# SECRETARIAL AUDIT REPORT

(For the Financial year ended on 31st March 2015)

**[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: U27109DL1970GOI117585  
Core-3, Scope Complex, 7 Lodhi Road New Delhi-110003

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

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we do hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31" March 2015, 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 2015 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) Wealth Tax Act, 1957
  - (d) Service Tax Law
  - (e) VAT/Central Sales Tax Act/WCT
  - (t) 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 further report that no observation in respect of compliances by the Company with the following is required:

- (a) The Secretarial Standards issued by the Institute of Company Secretaries of India as they had not been notified by the Central Government up to March 31<sup>st</sup> 2015.
- (b) The Listing Agreement entered into by the Company with the stock exchange(s) as the company is not listed with any stock exchange:

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 there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance 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 except appointment of Independent Directors and Woman Director. It is understood that the appointment is being made by the Government.*

No change in the composition of the Board of Directors took place during the period under review.

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

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

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

**For Vishal Agarwal & Associates  
Company Secretaries**

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

Place: New Delhi  
Date : 21.08.2015

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



## **Annexure A**

To,

The Members

ENGINEERING PROJECTS (INDIA) LIMITED

CIN: U27109DL1970G01117585

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 Auditors 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 : 21.08.2015



## ANNEXURE TO DIRECTORS' REPORT: COMPANY'S REPLY TO SECRETARIAL AUDIT REPORT

S. No.	Secretarial Auditor/Comments	Reply of the Company
1.	"The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors except appointment of Independent Directors and Woman Director. It is understood that the appointment is being made by the Government."	Engineering Projects (India) Ltd. is a Public Sector Undertaking and the appointment of Directors both Executive and Non-Executive are made by the Government of India. Appointment of adequate no. of Independent Directors including Women Director is in process with the Government.



## 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 31<sup>st</sup> March 2015, the Statement of Profit and Loss and Cash Flow Statement and a summary of significant accounting policies and other explanatory information for the year then ended, in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branches at Mumbai, Kolkata, Delhi, Chennai, Oman and Sri Lanka. Delhi branch has been audited by us.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 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.

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 the 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 the standalone financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31<sup>st</sup> March 2015 and its profit and its cash flows for the year ended on that date.

## Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

Clause 3 (b) "Revenue Recognition" of Note No. 1 "SIGNIFICANT ACCOUNTING POLICIES" related to non-fulfillment of statutory obligation attached with liability provided for unmeasured/partly executed work.

## Other Matters

We did not audit the financial statements/information of 5 (Five) branches included in the standalone financial statements of the Company whose financial statements/ financial information reflect total assets of ₹ 14,90,52,96,230.00 as at 31<sup>st</sup> March, 2015 and total revenues of ₹ 9,11,16,35,082.00 for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these - branches, is based solely on the report of such branch auditors.

## Report on Other Legal and Regulatory Requirements

1. As required in terms of sub-section (5) of section 143 of the Act, we give in the Annexure 1 a statement embodying therein the matters specified in the directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact, if any, on the accounts and financial statements of the company.
2. As required by the Companies (Auditor's Report) Order, 2015 ('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 2 a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
3. As required by section 143(3) of the Act, we report that:
  - (i) 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.



- (ii) 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. Proper Returns adequate for the purposes of our audit have been received from branches not visited by us.
- (iii) The reports on the accounts of the branch offices of the Company audited under Section 143 (8) of the Act by Branch Auditors have been sent to us and have been properly dealt with by us in preparing this report;
- (iv) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and returns.
- (v) 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.
- (vi) On the basis of the written representations received from the directors as on 31 March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements Refer Note 2.23 to the financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Satyendra Jain & Associates**  
**Chartered Accountants**  
**Firm's Registration Number: 012018N**

Sd/-  
**Anil Jain**  
**Partner**

**Membership Number: 072783**

New Delhi  
21<sup>st</sup> August 2015



## Annexure 2 to the Auditor's Report

The Annexure referred to in clause 2 of **Report on Other Legal and Regulatory Requirements** para in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2015, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) These fixed assets have been physically verified by the management at reasonable intervals; discrepancies noticed on such verification have been properly dealt with in the books of account.
- (ii) (a) The inventory of the Company comprises of construction work in progress and stock of material. The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanations given and forwarded to us, the procedures of physical verification of inventory 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 and forwarded to us, the company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The Company has neither granted nor taken any loan, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 189 of the Act. Consequently, the provisions of clause 3(iii)(a) and 3(iii)(b) of the Order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there is generally an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed continuing failures to correct major weaknesses in such internal control system.
- (v) The company has not accepted any deposits from the public, the provisions of clause 3(v) of the Order are not applicable to the company. As informed to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) Maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. As per information & explanation given and forwarded to us, the prescribed accounts and records have been made by the company.
- (vii) (a) The company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.



(b) The dues outstanding in respect of sales-tax, income-tax, custom duty, wealth-tax, excise duty, cess etc on account of dispute, are as follows:

SL. NO.	NAME OF STATUTE	NATURE OF DUES	AMOUNT (₹)	PERIOD TO WHICH THE AMOUNT RELATES	FORUM WHERE DISPUTE IS PENDING
1	Service Tax	Demand/ Penalty	4,18,63,946.00	2005-06 to 2007-08	The CESTAT, Kolkata
2	Service Tax	Demand/ Penalty	35,46,746.00	2004-05, 2005-06	High Court of Meghalaya, Shillong
3	Service Tax	Demand/ Penalty	37,46,050.00	2010-11 to 2012-13	The CESTAT, Kolkata
4	Service Tax.	Service Tax & Penalty	9,83,80,264.00	2004-05 to 2007-08	Honorable High-Court, New Delhi.
5	West Bengal VAT, Act 2003	Demand	3,07,91,784.00	2005-06	West Bengal Commercial Taxes appellate & Revisional Board, Kolkata
6	West Bengal VAT Act 2003	Demand	11,61,775.00	2007-08	West Bengal Commercial Taxes appellate & Revisional Board, Kolkata
7	Andhra Pradesh Value Added Tax Act.	Demand	44,48,905.00	AY 2008-09 & 2009-10	High Court of Andhra Pradesh, Hyderabad
8	Gujarat Sales Tax Act, 2003	Tax Demand	39,78,615.00	2010-11	Gujarat Value Added Tax Tribunal, Ahmedabad
9	UP Trade Tax Act, 1948	UP Trade Tax	8,72,500.00	1993-94	Sales Tax Tribunal
<b>Total</b>			<b>18,87,90,585.00</b>		

(c) According to the information and explanations given to us there were no amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and rules there under.

- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year, the provisions of clause 3(viii) of the Order are not applicable to the Company.
- (ix) The Company did not have any outstanding dues payable to a financial institution, banks or debenture holders during the year, the provisions of clause 3(ix) of the Order are not applicable to the company.
- (x) In our opinion and according to the information and explanations given and forwarded to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions, the provisions of clause 3(x) of the Order are not applicable to the company.
- (xi) The Company did not have any term loan outstanding during the year; the provisions of clause 3(xi) of the Order are not applicable to the company.
- (xii) In our opinion and according to the information and explanations given to us, no fraud by the company and no material fraud on the company has been noticed or reported during the year nor we have been informed of such case by the management.

**For Satyendra Jain & Associates**  
**Chartered Accountants**  
**Firm's Registration Number : 012018N**

Sd/-  
**Anil Jain**  
**Partner**

**Membership Number : 072783**

New Delhi  
21st August 2015



## Annexure 1 to the Auditor's Report

### Directions under section 143 (5) of the Companies Act, 2013.

We have examined the books of accounts of the **ENGINEERING PROJECTS (INDIA) LTD.** for the year ended 31 March 2015 and we are submitting our comments and answers to the questions asked in the directions issued by the Comptroller & Auditor General of India, according to the best of our information and explanations given to us by the Management and as appears from the examination of the books of accounts and records maintained by the Company, which are as under.

	Particulars	Auditors Remarks
1.	If the company has been selected for disinvestment, a complete status report in terms of valuation of Assets (Including intangible assets and land) and Liabilities (Including Committed and General Reserve) may be examined including the mode and present stage of disinvestment process.	In view of direction from Ministry of Heavy Industries and Public Enterprises, Department of Heavy Industry vide. letter No. F, No.16 (1)/2010- TSW dated 10th June 2010, as regards disinvestment of equity, following actions have already been initiated:  Amendment in the Memorandum and Articles of Association of the Company was made and conversion of Company into a Public Limited was completed on 09.12.2010;  Splitting of its equity shares in the denomination of face value ₹ 10/- each from the face value of ₹ 38.95 each was completed in the AGM held on 30.09.2011:  All the shareholders were given an option to convert their physical shares in dematerialize form. However shares continue to be held in physical form; and  Reducing the contingent liabilities in order to fetch better market price for the shares,
2.	Please report whether there are any cases of Waiver/Write Off of debts/loans/interest etc. if yes the reasons therefore and the amount involved.	As observed by/informed to us, there are no case of Waiver/Write Off of debts/loans/interest etc.
3.	Whether proper records are maintained for inventories lying with third parties and assets received as gift from Govt. or other authorities.	As observed by/informed to us, there are no case of inventories lying with third parties and assets received as gift from Govt. or other authorities.
4.	A report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence effectiveness of monitoring mechanism for the expenditure on all legal cases, (Foreign and Local) may be given.	As informed by the Management and based on the records examined, the Company has 148 number of pending legal / arbitration cases pending in various courts/ arbitration (except disputes relating to Statutory Dues, which are stated elsewhere in the report) amounting to ₹ 473.25 crores.  As per the information and explanation given to us, the age-wise analysis of pending cases is as under:



		<b>Age</b>	<b>Number of Cases</b>	<b>₹ Crores</b>
		Less than 1 Year	-	-
		1 Year to Less Than 2 Years	14	6
		2 years to Less Than 3 years	12	115
		3 years and above	122	352
		<b>Total</b>	<b>148</b>	<b>473</b>

A statement of Major legal / Arbitration & Court cases against the Company is provided in the enclosed Annexure-A.

The Company is contesting the above demands and the management including the legal advisor believes that its position will likely be upheld in favour of the Company.

In the matter of existence / effectiveness of a monitoring mechanism for the expenditure on all legal cases (foreign and local) in the Company, as informed by the Management and on the basis of record examined by us the legal department is regularly monitoring all these pending cases. With the approval of competent authority, the Company fixes in advance on case to case basis the fees of arbitrators and advocates for appearance and filing in all the cases.

**For Satyendra Jain & Associates**  
**Chartered Accountants**  
**FRN : 012018N**

Sd/-  
**(A.K. Jain)**  
**M. No. 072783**  
**Partner**

Date : 21.08.2015  
Place : New Delhi



## Annexure -A

### DETAILS OF MAJOR LEGAL / ARBITRATION CASES PENDING FOR SETTLEMENT

S. No.	Client / Sub Contractor/ Others	Year of entering on reference	EPI's Claims (in Crores)	Client's/ Sub Contractor Claims (in Crores)
1	OIDB	Nov-12	37.62 (C)	93.57
2	BALCO	Dec-01	11.73 (C)	45.20
3	Union Bank of India	Sep-11	5.87 (C)	28.93
4	GWSSB	Jul-06	58.10 (C)	90.98
5	KUIDFC/ KUDCEMP	Mar-05	2.55 (C)	6.43
6	KUIDFC/ KUDCEMP	Mar-05	4.37 (C)	5.38
7	KUIDFC/ KUDCEMP	Mar-05	3.87	6.81 (C)
8	RUIDP Pkg. DR-02	Feb-07	5.99 (C)	5.88
9	RUIDP Pkg. DR-01	Feb-07	8.82 (C)	5.07
10	RUIDP Pkg. WS-02	Feb-07	10.59 (C)	17.42
11	Metro Railway	Nov-12	3.97(C)	5.36
12	Kirloskar Constn. & Engineers Ltd.	Dec-08	41.98	22.30 (C)
13	Kuljeet Singh & Co.	Dec-02	10.64	35.09 (C)
14	ACC	Feb-06	28.58 (C)	13.54
15	Raj Kishan & Co.	Oct-99	0.79	2.39 (C)
16	M/s Technofab Engineering Ltd.	Apr-04	2.59 (C)	3.78
17	Shiv Vani Universal Ltd.	Feb-06	7.89	2.52 (C)
18	Zenith Engineers & Builders Pvt. Ltd	Dec-07	4.9	3.70 (C)
19	Zenith Engineers & Builders Pvt. Ltd	Dec-07	7.00	2.72 (C)
20	Shriram Tower Tech Limited	Apr-10	Yet to be filed	15.64
21	K.K. Builders	Jul-11	0.83	3.54 (C)
22	NUCON India Pvt. Ltd.	Sep-12	0.61 (C)	3.75
23	Indus Engineering Co.	Jan-05	1.80	4.11 (C)
24	ABCL Infrastructure	Jan-08	-	6.20
25	Bhoj Wetland Project (BWP)	Mar-09	53.70 (C)	-
26	RUIDP Pkg. WS-08	Dec-10	21.57 (C)	-
27	UPRVUNL (UPSEB-Anpara)	Sep-11	25.08	Yet to be filed
28	RITES Ltd.	Jan-12	14.19 (C)	0.90
29	ONGC-Kovilkalappal	Nov-12	9.85 (C)	
30	Other Legal/ Arbitration/ Court Cases (119 Cases)		246.58	42.04
	<b>Total</b>		<b>632.06</b>	<b>473.25</b>

Note 1: (C) represents Counter Claims by Client/ Sub-Contractors.

Note 2: Complete Details of All Legal, court cases and arbitration cases are available for verification. Users of the Financial Statements may inspect the same at Corporate Office.



## ANNEXURE TO DIRECTORS REPORT: AUDITOR'S REPORT AND COMPANY'S REPLY

S.No	Auditor's Report/Comment	Reply of the Company
	<p>We have audited the accompanying standalone financial statements of Engineering Projects India Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2015, the Statement of Profit and Loss and Cash Flow Statement and a summary of significant accounting policies and other explanatory information for the year then ended, in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branches at Mumbai, Kolkata, Delhi, Chennai, Oman and Sri Lanka. Delhi branch has been audited by us.</p>	No Comments
	<p>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 and presentation 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 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.</p>	No Comments
	<p>Our responsibility is to express an opinion on these standalone financial statements based on our audit.</p> <p>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.</p> <p>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.</p> <p>An audit involves performing procedures to obtain audit evidence about the amounts and the 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.</p>	No Comments

	We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.	
	In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 2015 and its profit and its cash flows for the year ended on that date.	No Comments
	We draw attention to the following matters in the Notes to the financial statements: Clause 3 (b) "Revenue Recognition" of Note No. 1 "SIGNIFICANT ACCOUNTING POLICIES" related to non-fulfillment of statutory obligation attached with liability provided for unmeasured/partly executed work.	Company is meeting the statutory obligations as stated in Clause 3(b) "Revenue Recognition" of Note No.1 of "Significant Accounting policies"
	We did not audit the financial statements/information of 5 (Five) branches included in the standalone financial statements of the Company whose financial statements/ financial information reflect total assets of ₹ 14,90,52,96,230.00 as at 31st March, 2015 and total revenues of ₹ 9,11,16,35,082.00 for the year ended on that date, as considered in the standalone financial statements. The financial statements/ information of these branches have been audited by the branch 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.	No Comments
	<b>Report on Other Legal and Regulatory Requirements</b>	
1.	As required in terms of sub-section (5) of section 143 of the Act, we give in the Annexure 1 a statement embodying therein the matters specified in the directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact, if any, on the accounts and financial statements of the company.	No Comments
2.	As required by the Companies (Auditor's Report) Order, 2015 ('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 2 a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.	No Comments
3.	As required by section 143(3) of the Act, we report that:	
(i)	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.	No Comments
(ii)	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. Proper Returns adequate for the purposes of our audit have been received from branches not visited by us.	No Comments
(iii)	The reports on the accounts of the branch offices of the Company audited under Section 143 (8) of the Act by Branch Auditors have been sent to us and have been properly dealt with by us in preparing this report;	No Comments
(iv)	The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and returns.	No Comments
(v)	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.	No Comments



(vi)	On the basis of the written representations received from the directors as on 31 March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.	No Comments
	With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us: (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 2.23 to the financial statements; (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.	No Comments  No Comments  No Comments

**For Satyendra Jain & Associates**  
**Chartered Accountants**  
**Firm Regn. No. 012018N**

**For and on behalf of Engineering Projects (India) Ltd.**

Sd/-  
**C A Anil Jain**  
**Partner**  
**M.No. 072783**

Sd/-  
**(S P S Bakshi)**  
**Chairman-cum-Managing Director**

Place: New Delhi  
Date: 21 August, 2015



**ANNEXURE 2 TO THE AUDITOR'S REPORT DATED 21<sup>ST</sup> AUGUST 2015 TO THE MEMBERS OF  
ENGINEERING PROJECTS (INDIA) LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31<sup>ST</sup> MARCH 2015 AND COMPANY'S REPLY**

<b>S.NO</b>	<b>Auditor's Report/Comments</b>	<b>Reply of the Company</b>
	The Annexure referred to in clause 2 of Report on Other Legal and Regulatory Requirements para in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 <sup>st</sup> March 2015, we report that:	
i)	(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. (b) These fixed assets have been physically verified by the management at reasonable intervals; discrepancies noticed on such verification have been properly dealt with in the books of account.	No Comments
ii)	(a) The inventory of the Company comprises of construction work in progress and stock of material. The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable. (b) In our opinion and according to the information and explanations given and forwarded to us, the procedures of physical verification of inventory 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 and forwarded to us, the company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.	No Comments
iii)	The Company has neither granted nor taken any loan, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 189 of the Act. Consequently, the provisions of clause 3(iii)(a) and 3(iii)(b) of the Order are not applicable to the company.	No Comments
iv)	In our opinion and according to the information and explanations given to us, there is generally an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed continuing failures to correct major weaknesses in such internal control system.	No Comments
v)	The company has not accepted any deposits from the public, the provisions of clause 3(v) of the Order are not applicable to the company. As informed to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.	No Comments



vi)	Maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. As per information & explanation given and forwarded to us, the prescribed accounts and records have been made by the company.	No Comments																																																																		
vii)	<p>(a) The company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.</p> <p>(b) The dues outstanding in respect of sales-tax, income-tax, custom duty, wealth-tax, excise duty, cess etc on account of dispute, are as follows</p>	Disclosed in Note No.2.23. The cases are being followed up at appropriate level for early disposal of cases																																																																		
	<table border="1"> <thead> <tr> <th data-bbox="261 741 320 869">S. No</th> <th data-bbox="325 741 480 869">NAME OF STATUTE</th> <th data-bbox="485 741 608 869">NATURE OF DUES</th> <th data-bbox="612 741 762 869">AMOUNT (₹)</th> <th data-bbox="767 741 938 869">PERIOD TO WHICH THE AMOUNT RELATES</th> <th data-bbox="943 741 1129 869">FORUM WHERE DISPUTE IS PENDING</th> </tr> </thead> <tbody> <tr> <td data-bbox="261 875 320 936">1.</td> <td data-bbox="325 875 480 936">Service Tax</td> <td data-bbox="485 875 608 936">Demand/ Penalty</td> <td data-bbox="612 875 762 936">4,18,63,946</td> <td data-bbox="767 875 938 936">2005-06 to 2007-08</td> <td data-bbox="943 875 1129 936">The CESTAT, Kolkotta</td> </tr> <tr> <td data-bbox="261 943 320 1025">2.</td> <td data-bbox="325 943 480 1025">Service Tax</td> <td data-bbox="485 943 608 1025">Demand/ Penalty</td> <td data-bbox="612 943 762 1025">35,46,746</td> <td data-bbox="767 943 938 1025">2004-05, 2005-06</td> <td data-bbox="943 943 1129 1025">High Court of Meghalaye, Shillong</td> </tr> <tr> <td data-bbox="261 1032 320 1115">3.</td> <td data-bbox="325 1032 480 1115">Service Tax</td> <td data-bbox="485 1032 608 1115">Demand/ Penalty</td> <td data-bbox="612 1032 762 1115">37,46,050</td> <td data-bbox="767 1032 938 1115">2010-11 to 2012-13</td> <td data-bbox="943 1032 1129 1115">The CESTAT, Kolkotta</td> </tr> <tr> <td data-bbox="261 1122 320 1182">4.</td> <td data-bbox="325 1122 480 1182">Service Tax</td> <td data-bbox="485 1122 608 1182">Service Tax &amp; Penalty</td> <td data-bbox="612 1122 762 1182">9,83,80,264</td> <td data-bbox="767 1122 938 1182">2004-05 to 2007-08</td> <td data-bbox="943 1122 1129 1182">Honourable High Court, New Delhi</td> </tr> <tr> <td data-bbox="261 1189 320 1339">5.</td> <td data-bbox="325 1189 480 1339">West Bengal VAT Act 2003</td> <td data-bbox="485 1189 608 1339">Demand</td> <td data-bbox="612 1189 762 1339">3,07,91,784</td> <td data-bbox="767 1189 938 1339">2005-06</td> <td data-bbox="943 1189 1129 1339">West Bengal Commercial Taxes appellant &amp; Revisional Board, Kolkotta</td> </tr> <tr> <td data-bbox="261 1346 320 1496">6</td> <td data-bbox="325 1346 480 1496">West Bengal VAT Act 2003</td> <td data-bbox="485 1346 608 1496">Demand</td> <td data-bbox="612 1346 762 1496">11,61,775</td> <td data-bbox="767 1346 938 1496">2007-08</td> <td data-bbox="943 1346 1129 1496">West Bengal Commercial Taxes appellant &amp; Revisional Board, Kolkotta</td> </tr> <tr> <td data-bbox="261 1503 320 1608">7.</td> <td data-bbox="325 1503 480 1608">Andhra Pradesh Value Added Tax Act</td> <td data-bbox="485 1503 608 1608">Demand</td> <td data-bbox="612 1503 762 1608">44,48,905</td> <td data-bbox="767 1503 938 1608">AY 2008-09 &amp; 2009-10</td> <td data-bbox="943 1503 1129 1608">High Court of Andhra Pradesh, Hyderabad</td> </tr> <tr> <td data-bbox="261 1615 320 1742">8.</td> <td data-bbox="325 1615 480 1742">Gujarat Sales Tax Act, 2003</td> <td data-bbox="485 1615 608 1742">Tax Demand</td> <td data-bbox="612 1615 762 1742">39,78,615</td> <td data-bbox="767 1615 938 1742">2010-11</td> <td data-bbox="943 1615 1129 1742">Gujarat Value Added Tax Tribunal, Ahmedabad</td> </tr> <tr> <td data-bbox="261 1749 320 1809">9.</td> <td data-bbox="325 1749 480 1809">UP Trade Tax Act, 1948</td> <td data-bbox="485 1749 608 1809">UP Trade Tax</td> <td data-bbox="612 1749 762 1809">8,72,500</td> <td data-bbox="767 1749 938 1809">1993-94</td> <td data-bbox="943 1749 1129 1809">Sales Tax Tribunal</td> </tr> <tr> <td colspan="3" data-bbox="261 1816 320 1845"><b>TOTAL</b></td> <td data-bbox="612 1816 762 1845"><b>18,87,90,585</b></td> <td data-bbox="767 1816 938 1845"></td> <td data-bbox="943 1816 1129 1845"></td> </tr> </tbody> </table>	S. No	NAME OF STATUTE	NATURE OF DUES	AMOUNT (₹)	PERIOD TO WHICH THE AMOUNT RELATES	FORUM WHERE DISPUTE IS PENDING	1.	Service Tax	Demand/ Penalty	4,18,63,946	2005-06 to 2007-08	The CESTAT, Kolkotta	2.	Service Tax	Demand/ Penalty	35,46,746	2004-05, 2005-06	High Court of Meghalaye, Shillong	3.	Service Tax	Demand/ Penalty	37,46,050	2010-11 to 2012-13	The CESTAT, Kolkotta	4.	Service Tax	Service Tax & Penalty	9,83,80,264	2004-05 to 2007-08	Honourable High Court, New Delhi	5.	West Bengal VAT Act 2003	Demand	3,07,91,784	2005-06	West Bengal Commercial Taxes appellant & Revisional Board, Kolkotta	6	West Bengal VAT Act 2003	Demand	11,61,775	2007-08	West Bengal Commercial Taxes appellant & Revisional Board, Kolkotta	7.	Andhra Pradesh Value Added Tax Act	Demand	44,48,905	AY 2008-09 & 2009-10	High Court of Andhra Pradesh, Hyderabad	8.	Gujarat Sales Tax Act, 2003	Tax Demand	39,78,615	2010-11	Gujarat Value Added Tax Tribunal, Ahmedabad	9.	UP Trade Tax Act, 1948	UP Trade Tax	8,72,500	1993-94	Sales Tax Tribunal	<b>TOTAL</b>			<b>18,87,90,585</b>			
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	(c) According to the information and explanations given to us there were no amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and rules there under.	No Comments
viii)	The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year, the provisions of clause 3(viii) of the Order are not applicable to the company.	No Comments
ix)	The Company did not have any outstanding dues payable to financial institutions, banks or debenture holders during the year, the provisions of clause 3(ix) of the Order are not applicable to the company.	No Comments
x)	In our opinion and according to the information and explanations given and forwarded to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions, the provisions of clause 3(x) of the Order are not applicable to the company.	No Comments
xi)	The Company did not have any term loan outstanding during the year; the provisions of clause 3(xi) of the Order are not applicable to the company.	No Comments
xii)	In our opinion and according to the information and explanations given to us, no fraud by the company and no material fraud on the company has been noticed or reported during the year nor we have been informed of such case by the management.	No Comments

**For Satyendra Jain & Associates**  
**Chartered Accountants**  
**Firm Regn. No. 012018N**

**For and on behalf of Engineering Projects (India) Ltd.**

Sd/-  
**C A Anil Jain**  
**Partner**  
**M.No. 072783**

Sd/-  
**(S P S Bakshi)**  
**Chairman-cum-Managing Director**

Place: New Delhi  
Date: 21 August, 2015



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015

(Amount in ₹)

Particulars		Note No.	As at 31st March, 2015		As at 31st March, 2014	
<b>I. EQUITY AND LIABILITIES</b>						
<b>1 Shareholders' Funds :</b>						
	a) Share Capital	2.1	<b>354,226,880</b>		354,226,880	
	b) Reserves and Surplus	2.2	<b>1,808,866,895</b>	<b>2,163,093,775</b>	1,624,495,774	1,978,722,654
<b>2 Non Current Liabilities</b>						
	a) Long - Term Borrowings	-	-		-	
	b) Other Long - Term Liabilities	2.3	<b>2,518,011,646</b>		1,828,782,855	
	c) Long - Term Provisions	2.4	<b>234,225,457</b>	<b>2,752,237,103</b>	228,943,972	2,057,726,827
<b>3 Current Liabilities</b>						
	a) Short Term Borrowings	-	-		-	
	b) Trade Payables	2.5	<b>4,037,658,447</b>		3,929,391,290	
	c) Other Current Liabilities	2.6	<b>9,090,634,212</b>		14,020,694,763	
	d) Short Term Provisions	2.7	<b>393,652,463</b>	<b>13,521,945,122</b>	350,116,644	18,300,202,697
<b>Total</b>				<b>18,437,276,000</b>		<b>22,336,652,178</b>
<b>II. ASSETS</b>						
<b>1 Non current assets</b>						
	a) Fixed assets	2.8				
	(i) Tangible Assets		<b>89,844,058</b>		90,864,596	
	(ii) Intangible Assets		<b>1,306,870</b>		757,897	
	(iii) Capital Work-in-Progress		-		-	
	(iv) Intangible Assets Under Development		<b>4,098,052</b>		639,298	
			<b>95,248,980</b>		92,261,791	
	b) Non Current Investments	-	-		-	
	c) Deferred Tax Assets (Net)	2.9	<b>76,141,793</b>		73,795,988	
	d) Long Term Loans and Advances	2.10	<b>2,140,351,853</b>		1,653,913,396	
	e) Other Non Current Assets	2.11	<b>533,892,561</b>	<b>2,845,635,187</b>	487,995,003	2,307,966,178
<b>2 Current assets</b>						
	a) Current Investments	-	-		-	
	b) Inventories	2.12	<b>135,529,097</b>		74,834,429	
	c) Trade Receivables	2.13	<b>2,670,363,943</b>		2,532,891,972	
	d) Cash and Bank Balances	2.14	<b>2,039,703,884</b>		1,653,632,052	
	e) Short Term Loans and Advances	2.15	<b>4,864,058,964</b>		5,386,474,970	
	f) Other Current Assets	2.16	<b>5,881,984,925</b>	<b>15,591,640,813</b>	10,380,852,577	20,028,686,000
<b>Total</b>				<b>18,437,276,000</b>		<b>22,336,652,178</b>
	Significant Accounting Policies	1				
	Notes to accounts	2				

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

For and on behalf of the Board of Directors

Sd/-  
(Sudha V. Varadhan)  
Company Secretary

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

Sd/-  
(A.V.V. Krishnan)  
Director (Finance)

Sd/-  
(SPS Bakshi)  
Chairman-cum-Managing Director

This is the Balance Sheet referred to in our audit report of even date attached

For Satyendra Jain & Associates  
Chartered Accountants  
Firm Registration No.012018 N

Sd/-  
CA Anil Jain  
Partner  
Membership No. 072783

Place: New Delhi  
Dated: 21<sup>st</sup> August, 2015



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

(Amount in ₹)

Particulars		Note No.	Year ended 31st March, 2015	Year ended 31st March, 2014
I.	<b>Revenue From Operations</b>	2.17	<b>10,312,821,386</b>	8,551,672,443
II.	Other Income	2.18	<b>278,926,763</b>	353,399,575
III.	<b>Total Income ( I+II )</b>		<b>10,591,748,149</b>	8,905,072,018
IV.	<b>Expenses:</b>			
	Operating Expenses	2.19	<b>9,161,704,466</b>	7,695,939,745
	Employee Remuneration and Benefits	2.20	<b>689,639,555</b>	582,702,211
	Finance Costs	2.21	<b>70,615,207</b>	94,210,934
	Depreciation & Amortisation Expenses	2.8	<b>9,961,864</b>	9,929,989
	Other Expenses	2.22	<b>247,757,453</b>	261,236,223
	<b>Total Expenses</b>		<b>10,179,678,545</b>	8,644,019,102
V.	<b>Profit before exceptional and extraordinary items and tax ( III-IV)</b>		<b>412,069,604</b>	261,052,916
VI.	Exceptional Items		-	-
VII.	<b>Profit before Extraordinary Items and Tax (V-VI)</b>		<b>412,069,604</b>	261,052,916
VIII.	Extraordinary Items		-	-
IX.	<b>Profit/(Loss) Before Tax ( VII-VIII)</b>		<b>412,069,604</b>	261,052,916
X	Tax Expense			
	Current Tax		<b>143,553,346</b>	82,314,729
	Deferred Tax		<b>(2,345,805)</b>	8,794,466
	Minimum Alternate Tax Credit Entitlement		-	-
XI.	<b>Profit For the Year (IX-X)</b>		<b>270,862,063</b>	169,943,721
XII.	<b>Earnings Per Share (Basic &amp; Diluted)</b>	2.39	<b>7.65</b>	4.80
	Significant Accounting Policies	1		
	Notes to accounts	2		

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

For and on behalf of the Board of Directors

Sd/-  
(Sudha V. Varadhan)  
Company Secretary

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

Sd/-  
(A.V.V. Krishnan)  
Director (Finance)

Sd/-  
(SPS Bakshi)  
Chairman-cum-Managing Director

This is the Statement of Profit and Loss referred to in our audit report of even date attached

For Satyendra Jain & Associates  
Chartered Accountants  
Firm Registration No.012018 N

Sd/-  
CA Anil Jain  
Partner  
Membership No. 072783

Place: New Delhi  
Dated: 21<sup>st</sup> August, 2015



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

(Amount in ₹)

Particulars	2014-2015	2013-2014
<b>Cash Flow From Operating Activities</b>		
Net Profit Before Tax	412,069,605	261,052,916
<b>Adjustments For:</b>		
- Depreciation And Amortization	9,961,864	9,929,989
- Loss/(Profit) on Sale of Assets (Net)	3,967	1,618
- Interest on FDRs	(27,514,613)	(54,746,309)
<b>Effect of Exchange Differences on Translation of Foreign Currency</b>		
- Cash & Cash Equivalents	-	-
<b>Operating Profit Before Working Capital Changes</b>	<b>394,520,823</b>	<b>216,238,214</b>
- Decrease/( Increase) In Inventories	(60,694,668)	(10,134,243)
- Decrease/( Increase) In Works In Progress	721,966,375	37,861,376,517
- Decrease/( Increase) In Sundry Debtors	(183,369,529)	(1,519,836,011)
- Decrease/( Increase) In FDR Under Lien	13,588,327	(7,942,317)
- Decrease/( Increase) In Loans & Advances	3,848,782,287	(37,999,328,446)
- Increase/( Decrease) In Current Liabilities & Provisions	(4,120,839,617)	1,838,736,373
<b>Cash Generated From Operations</b>	<b>613,953,998</b>	<b>379,110,087</b>
- Income Tax Paid	(162,385,226)	(157,598,517)
<b>Net Cash From Operating Activities</b>	<b>451,568,772</b>	<b>221,511,570</b>
<b>Cash Flows From Investing Activities</b>		
- Purchase/ Construction of Fixed Assets	(13,445,356)	(38,866,466)
- Proceeds From Sale Of Assets	55,718	163,348
- Interest Income	44,366,573	77,545,638
<b>Net Cash From Investing Activities</b>	<b>30,976,935</b>	<b>38,842,520</b>
<b>Cash Flow From Financing Activities</b>		
- Dividend Paid	(70,845,376)	(70,845,376)
- Dividend Tax Paid	(12,040,172)	(12,040,172)
<b>Net Cash Used In Financing Activities</b>	<b>(82,885,548)</b>	<b>(82,885,548)</b>
<b>Effect Of Exchange Differences On Translation Of Foreign Currency</b>		
- Cash & Cash Equivalents	-	-
<b>Net (Decrease)/Increase In Cash And Cash Equivalents</b>	<b>399,660,159</b>	<b>177,468,542</b>
Cash and Cash Equivalents at the Beginning of the Year	1,596,864,924	1,419,396,382
Cash and Cash Equivalents at the End of the Year	1,996,525,083	1,596,864,924
<b>Reconciliation Of Cash And Cash Equivalents</b>		
Cash In Hand	137,811	161,697
Cheques In Hand	31,501	14,700,000
Remittance In Transit	-	247,076
Balance With Banks In Current Accounts	122,580,396	258,838,324
Balance With Banks Fixed Deposits	1,873,775,375	1,322,917,827
<b>Cash and Cash Equivalents</b>	<b>1,996,525,083</b>	<b>1,596,864,924</b>
<b>Add: Balance In Deposit Accounts (Pledged)</b>	<b>43,178,801</b>	<b>56,767,128</b>
<b>Cash and Cash Equivalents at the End of the Year (Refer Note No 2.14)</b>	<b>2,039,703,884</b>	<b>1,653,632,052</b>

Note: Cash and Cash Equivalents consists of Cash and Bank Balances including FDRs and Liquid Investment excluding FDRs Under Lien / Margin .

For and on behalf of the Board of Directors

Sd/-  
(Sudha V. Varadhan)  
Company Secretary

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

Sd/-  
(A.V.V. Krishnan)  
Director (Finance)

Sd/-  
(SPS Bakshi)  
Chairman-cum-Managing Director

This is the Cash Flow Statement referred to in our audit report of even date attached

For Satyendra Jain & Associates  
Chartered Accountants  
Firm Registration No.012018 N

Sd/-  
CA Anil Jain  
Partner  
Membership No. 072783

Place: New Delhi  
Dated: 21<sup>st</sup> August, 2015



## SIGNIFICANT ACCOUNTING POLICIES 2014-15

### Note No. 1

#### 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”).
- 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) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- i) 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) Fixed assets 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. Fixed assets

Fixed assets (gross block) are stated at historical cost. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

## 7. Depreciation

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

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

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

- c) Fixed asset 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. Lease hold 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 Sundry Debtors/ Loans and Advances in closed projects, pertaining to Govt. Of India Departments and PSEs clients are considered good for realisation irrespective of the age of debtors/ loans and advances. These debts are under constant persuasion for realisation till final settlement made with the client or verdict is passed by the arbitral tribunal/ court, in case of dispute. Necessary provision against doubtful debts / loans and advances is made based on the previous experience of the Management. Debtors/ Advances are written-off when considered unrealisable.

## **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. Earning 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 ₹ 50000/- in each case are treated as expenditure/income of the current year.



## Note No. 2.1

(Amount in ₹)

Share Capital	2014-15	2013-14
<b>Authorised</b> 90,94,04,600 Equity Shares of ₹ 10/- Each Fully Paid Up (90,94,04,600 Equity Shares of ₹ 10/- Each Fully Paid Up)	<b>9,094,046,000</b>	9,094,046,000
<b>Issued, Subscribed and Fully Paid up</b>  3,54,22,688 Equity Shares of ₹10/- Each Fully Paid Up (3,54,22,688 Equity Shares of ₹ 10/- Each Fully Paid Up)	<b>354,226,880</b>	354,226,880
<b>Total</b>	<b>354,226,880</b>	<b>354,226,880</b>

## Note 2.1 A

Reconciliation of No. of Shares Outstanding	2014-15	2013-14
	Number	Number
At the beginning of the year	<b>35,422,688</b>	35,422,688
At the end of the year	<b>35,422,688</b>	<b>35,422,688</b>

## Note 2.1 B

Number of Shares Held by Each Shareholder Holding More Than 5%	2014-15		2013-14	
	No. of Shares	% age	No. of Shares	% age
The President of India	<b>35,415,677</b>	<b>99.98</b>	35,415,677	99.98



## Note No. 2.2

(Amount in ₹)

Reserve & Surplus	2014-15	2013-2014
<b>A) Capital Reserves</b>		
<b>Balance as at the beginning and end of the year</b>	<b>210,020</b>	210,020
<b>B) General Reserve</b>		
Balance as at the beginning of the year	<b>171,500,000</b>	151,500,000
Add: Addition during the year	<b>20,000,000</b>	20,000,000
<b>Balance as at the end of the year</b>	<b>191,500,000</b>	171,500,000
<b>C) CSR Reserve</b>		
Balance as at the beginning of the year	<b>786,493</b>	7,697,607
Add: Addition during the year	-	786,493
Less: Utilised during the year	<b>786,493</b>	7,697,607
<b>Balance as at the end of the year</b>	-	786,493
<b>D) Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	<b>1,451,999,261</b>	1,385,727,581
Less: Depreciation on transition to Schedule II of Companies Act, 2013	<b>436,619</b>	-
Add: Profit/(Loss) for the year	<b>270,862,063</b>	169,943,721
Less: CSR Reserve	-	786,493
Less: Proposed Dividend	<b>70,845,376</b>	70,845,376
Less: Dividend Distribution Tax	<b>14,422,454</b>	12,040,172
Less: Transfer to General Reserves	<b>20,000,000</b>	20,000,000
<b>Balance as at the end of the year</b>	<b>1,617,156,875</b>	<b>1,451,999,261</b>
<b>Total</b>	<b>1,808,866,895</b>	<b>1,624,495,774</b>



### Note No. 2.3

(Amount in ₹)

Other Long Term Liabilities	2014-15	2013-2014
Trade Payables		
- Micro, Small & Medium Enterprises #	-	-
- Others	563,566,020	400,675,423
Other Liabilities		
- Security Deposits, Retention & EMD Payable	1,833,179,498	1,262,791,868
- Advance Received from Client	121,156,946	119,336,946
- Others	109,182	45,978,618
<b>Total</b>	<b>2,518,011,646</b>	<b>1,828,782,855</b>

### Note No. 2.4

(Amount in ₹)

Long Term Provisions	2014-15	2013-2014
Employee Benefits	234,225,457	228,943,972
<b>Total</b>	<b>234,225,457</b>	<b>228,943,972</b>

### Note No. 2.5

(Amount in ₹)

Trade Payables	2014-15	2013-2014
Trade Payables		
- Micro, Small & Medium Enterprises #	-	-
- Others	4,037,658,447	3,929,391,290
<b>Total</b>	<b>4,037,658,447</b>	<b>3,929,391,290</b>

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



## Note No. 2.6

(Amount in ₹)

<b>Other Current Liabilities</b>	<b>2014-2015</b>	<b>2013-2014</b>
Advance From Clients	<b>3,965,607,217</b>	4,369,148,875
Security, Retention & Earnest Money Payable	<b>653,162,680</b>	775,988,373
Outstanding Liabilities	<b>30,882,449</b>	23,036,079
Amount Payable to Others	<b>3,411,343,716</b>	7,903,402,531
Advance Revenue for Works ( Refer Note below Note No. 2.12)	<b>858,963,871</b>	855,621,830
Payable to Employees	<b>75,896,245</b>	9,946,619
Statutory Liabilities	<b>94,778,034</b>	83,550,456
<b>Total</b>	<b>9,090,634,212</b>	<b>14,020,694,763</b>

## Note No. 2.7

(Amount in ₹)

<b>Short Term Provisions</b>	<b>2014-2015</b>	<b>2013-2014</b>
Income Tax	<b>275,155,025</b>	241,231,482
Proposed Dividend	<b>70,845,376</b>	70,845,376
Dividend Tax	<b>14,422,454</b>	12,040,172
Employee Benefits	<b>33,229,608</b>	25,999,614
<b>Total</b>	<b>393,652,463</b>	<b>350,116,644</b>

**Note No. 2.8**  
**Fixed Assets**

(Amount in ₹)

DESCRIPTION	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK			
	OPENING BALANCE	ADDITIONS	ADJUSTMENTS	SALE/ WRITTEN OFF	TOTAL	OPENING BALANCE	FOR THE YEAR	ADJUSTMENTS	WRITTEN BACK	TOTAL	As at 31st March, 2015	As at 31st March, 2014
<b>a) TANGIBLE ASSETS</b>												
LAND FREEHOLD	-	-	-	-	-	-	-	-	-	-	-	-
LAND LEASEHOLD	1,615,856	-	-	-	1,615,856	-	-	-	-	-	1,615,856	1,615,856
BUILDING FREEHOLD	4,687,325	-	-	-	4,687,325	2,238,937	77,335	-	-	2,316,272	2,371,053	2,448,388
BUILDING LEASEHOLD	64,181,961	-	-	-	64,181,961	20,751,547	987,627	-	-	21,739,174	42,442,787	43,430,414
COMPUTER AND EQUIPMENTS	42,928,447	2,440,261	(1,074,997)	239,276	44,054,435	36,572,628	2,057,526	(656,598)	227,313	37,746,243	6,308,192	6,355,819
OFFICE AND OTHER EQUIPMENTS	16,943,410	2,846,851	(45,000)	655,295	19,089,966	10,614,210	2,846,322	351,735	640,654	13,171,613	5,918,353	6,329,200
CONSTRUCTION EQUIPMENTS	57,246,381	2,275,161	-	676,437	58,845,105	40,582,062	1,053,105	-	643,355	40,991,812	17,853,293	16,664,319
FURNITURES & FIXTURES	20,834,567	1,016,121	-	154,352	21,696,336	9,147,311	2,026,131	83,215	154,352	11,102,305	10,594,031	11,687,256
VEHICLES	6,082,410	833,012	-	-	6,915,422	3,749,065	425,864	-	-	4,174,929	2,740,493	2,333,345
<b>SUB TOTAL</b>	<b>214,520,356</b>	<b>9,411,406</b>	<b>(1,119,997)</b>	<b>1,725,360</b>	<b>221,086,406</b>	<b>123,655,760</b>	<b>9,473,910</b>	<b>(221,648)</b>	<b>1,665,674</b>	<b>131,242,348</b>	<b>89,844,058</b>	<b>90,864,596</b>
<b>CAPITAL WORK IN PROGRESS</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>214,520,356</b>	<b>9,411,406</b>	<b>(1,119,997)</b>	<b>1,725,360</b>	<b>221,086,406</b>	<b>123,655,760</b>	<b>9,473,910</b>	<b>(221,648)</b>	<b>1,665,674</b>	<b>131,242,348</b>	<b>89,844,058</b>	<b>90,864,596</b>
<b>b) INTANGIBLE ASSETS</b>												
SOFTWARES (ACQUIRED)	5,099,434	575,196	1,119,997	-	6,794,627	4,341,537	487,954	658,266	-	5,487,757	1,306,870	757,897
<b>SUB TOTAL</b>	<b>5,099,434</b>	<b>575,196</b>	<b>1,119,997</b>	<b>-</b>	<b>6,794,627</b>	<b>4,341,537</b>	<b>487,954</b>	<b>658,266</b>	<b>-</b>	<b>5,487,757</b>	<b>1,306,870</b>	<b>757,897</b>
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>	639,298	3,458,754	-	-	4,098,052	-	-	-	-	-	4,098,052	639,298
<b>GRAND TOTAL</b>	<b>220,259,088</b>	<b>13,445,356</b>	<b>-</b>	<b>1,725,360</b>	<b>231,979,085</b>	<b>127,997,297</b>	<b>9,961,864</b>	<b>436,619</b>	<b>1,665,674</b>	<b>136,730,105</b>	<b>95,248,980</b>	<b>92,261,791</b>
PREVIOUS YEAR	185,282,642	38,866,466	-	3,890,021	220,259,087	121,792,364	9,929,989	-	3,725,055	127,997,298	92,261,791	63,490,278

## Note No. 2.9

(Amount in ₹)

Deferred Tax Assets (Net)	2014-2015	2013-2014
Depreciation on Fixed Assets	(11,185,036)	(9,299,955)
Provision for Doubtful Debts	44,488,418	42,388,566
Provision for Tax Audit Fees	108,536	105,064
Provision for Employee Benefits	42,729,875	40,602,313
<b>Total</b>	<b>76,141,793</b>	<b>73,795,988</b>

## Note No. 2.10

(Amount in ₹)

Long term Loans and Advances	2014-15	2013-2014
(Unsecured, Considered Good Unless Stated Otherwise)		
Advance for Works:		
-Mobilization Advance Secured Against BG	117,368,278	267,488,897
-Other Advances	719,781,171	400,315,663
Less: Provision for Doubtful Advances	(83,135,826)	(79,295,238)
Staff Loans & Advances*	3,408,807	4,303,268
Security, Retention & Earnest Money Receivable	1,188,009,904	838,706,436
Less: Provision for Doubtful Recovery	(22,874,840)	(22,874,840)
Income Tax Recoverable	-	38,354,774
Advance FBT	600,139	600,139
Work Contract Tax Recoverable	87,555,300	54,514,879
Sales Tax Recoverable	4,206,965	10,953,673
Advance Sales Tax	24,404,965	29,468,721
Advance Service Tax	1,111,207	900,000
Amount Recoverable - Others	99,915,783	110,477,024
<b>Total</b>	<b>2,140,351,853</b>	<b>1,653,913,396</b>

\*Staff Loans & Advances includes advances to Officers amounting to ₹ 796,696 (Previous year ₹ 783,617)

## Note No. 2.11

(Amount in ₹)

Other Non Current Assets	2014-2015	2013-2014
(Unsecured Considered Good)		
Trade Receivables Outstanding for:		
- More Than Six Months	556,431,416	510,533,858
Less: Provision for Doubtful Debts	(22,538,855)	(22,538,855)
<b>Total</b>	<b>533,892,561</b>	<b>487,995,003</b>



## Note No. 2.12

(Amount in ₹)

Inventories	2014-2015	2013-14
Materials		
-Steel	104,757,172	72,495,639
-Cement	3,066,497	2,338,790
-Pipes	27,705,428	-
Work in Progress*	-	-
<b>Total</b>	<b>135,529,097</b>	<b>74,834,429</b>

\*Based on the opinion of Expert Advisory committee of the Institute of Chartered Accountants of India, The Amount Billed to Client and related "Work in Progress" are not to be shown in the Balance Sheet. Thus the excess of Work in progress recognised till the end of financial year over "Amount Billed to Client" is presented in Note no. 2.16 as "Un-Billed Revenue" under the head "Other Current Assets". On the Other hand, excess of "Amount Billed to Client" over "Work in progress" is shown in Note no. 2.6 as "Advance Revenue for Works" under the head "Other Current Liability".

## Note No. 2.13

(Amount in ₹)

Trade Receivables	2014-2015	2013-14
(Unsecured Considered Good)		
Trade Receivables Outstanding For:		
- Less Than Six Months	2,396,163,896	2,154,059,937
- More Than Six Months	274,200,047	378,832,035
<b>Total</b>	<b>2,670,363,943</b>	<b>2,532,891,972</b>

## Note No. 2.14

(Amount in ₹)

Cash and Bank Balances	2014-2015	2013-14
<b>Cash &amp; Cash Equivalents:</b>		
Cash In Hand	137,811	161,697
Cheques In Hand	31,501	14,700,000
Remittance In Transit	-	247,076
Balances With Banks		
-In Current Accounts	122,580,396	258,838,324
-Fixed Deposit (With Maturity Upto 3 Months)	1,359,098,855	1,481,679,251
<b>Other Bank Balances:</b>		
Fixed Deposits (Pledged Against Margin Money / Earnest Money)	43,178,801	56,767,128
Fixed Deposit (With Maturity More Than 3 Months)	514,676,520	721,671,913
<b>Total</b>	<b>2,039,703,884</b>	<b>1,653,632,052</b>



## Note No. 2.15

(Amount in ₹)

Short Term Loan & Advances	2014-15	2013-14
(Unsecured, Considered Good Unless Stated Otherwise)		
Advance for Works:		
-Mobilization Advance Secured Against BG	1,892,973,139	2,208,840,813
-Secured Against Material	318,809,031	299,427,443
-Other Advances	1,501,301,343	1,600,678,920
Income Tax Recoverable	417,201,374	364,445,950
Work Contract Tax Recoverable	229,464	229,464
Advance Sales Tax	23,004	23,004
Advance Service Tax	933,948	-
Staff Loans & advances	2,530,478	2,615,976
Security, Retention & Earnest Money Receivable	730,057,183	910,213,400
<b>Total</b>	<b>4,864,058,964</b>	<b>5,386,474,970</b>

## Note No. 2.16

(Amount in ₹)

Other Current Assets	2014-15	2013-14
Interest Accrued but not due on Bank Deposits	23,047,081	39,899,041
Prepaid Expenses	51,872,718	68,053,990
Recoverable From Others	1,848,604,111	5,592,472,156
Unbilled Revenue ( Refer Note Below Note No. 2.12)	3,958,461,015	4,680,427,390
<b>Total</b>	<b>5,881,984,925</b>	<b>10,380,852,577</b>

## Note No. 2.17

(Amount in ₹)

Revenue From Operations	2014-2015	2013-2014
Value of Work Done	10,295,463,454	8,530,142,441
Consultancy Fees	4,561,963	13,056,560
Other Operating Income	12,795,969	8,473,442
<b>Total</b>	<b>10,312,821,386</b>	<b>8,551,672,443</b>



## Note No. 2.18

(Amount in ₹)

Other Income	2014-2015	2013-2014
<b>Interest Income earned on:</b>		
Deposits with Bank	27,514,613	54,746,309
Staff Advances	358,650	499,257
Other (From sub contractor/clients)	205,220,431	206,591,202
Prior Period Interest Income	-	4,902,250
	<b>233,093,694</b>	<b>266,739,018</b>
<b>Other non-Operating Income</b>		
Unspent Liabilities/ Balances Written Back	8,665,497	12,456,880
Exchange Variation (Gain)	11,943,813	47,123,102
Miscellaneous Income	25,223,759	27,080,575
	<b>45,833,069</b>	<b>86,660,557</b>
<b>Total</b>	<b>278,926,763</b>	<b>353,399,575</b>

## Note No. 2.19

(Amount in ₹)

Operating Expenses	2014-2015	2013-2014
Civil, Mechanical, Electrical Works	8,938,566,224	7,479,851,001
Design & Consultancy Charges	92,288,774	58,144,885
Other Direct Expenditure	130,522,326	142,005,984
Claims Paid	11,246,982	8,840,184
Royalty	4,017,026	5,520,850
Liquidated Damages Paid	103,293	74,104
Prior Period Operating Expenses	(15,040,159)	1,502,737
<b>Total</b>	<b>9,161,704,466</b>	<b>7,695,939,745</b>



## Note No. 2.20

(Amount in ₹)

Employee Remuneration and Benefits	2014-2015		2013-2014	
	Operating	Administrative	Operating	Administrative
Salary & Allowances	233,886,904	323,128,166	174,911,030	286,175,391
Contribution to Provident & Other Funds	15,707,612	25,199,349	13,194,715	23,839,476
Medical Expenses	5,902,348	36,460,212	3,222,894	50,618,225
Rajbhasha Expenses	-	472,038	-	544,633
Leave Encashment	-	25,309,925	-	12,781,052
Gratuity	-	4,413,112	-	385,606
Staff Welfare	9,237,297	9,688,257	7,866,815	8,677,593
Prior Period Employee Remuneration and Benefits	-	234,335	-	484,781
<b>Total</b>	<b>264,734,161</b>	<b>424,905,394</b>	<b>199,195,454</b>	<b>383,506,757</b>
<b>Total Operating &amp; Administrative</b>		<b>689,639,555</b>		<b>582,702,211</b>

## Note No. 2.21

(Amount in ₹)

Finance Cost	2014-2015	2013-2014
<b>Interest Paid to:</b>		
- Bank	29,193,746	7,517,687
- Others	41,421,461	86,693,247
<b>Total</b>	<b>70,615,207</b>	<b>94,210,934</b>



## Note No. 2.22

(Amount in ₹)

Other Expenses	2014-2015		2013-14	
	Operating	Administrative	Operating	Administrative
Printing & Stationery	3,225,112	6,831,851	2,813,897	6,792,009
Rates & Taxes	133,345	3,260,956	40,470	3,486,763
Postage & Telecommunication	3,384,106	10,660,925	2,301,294	5,591,953
Repair & Maintenance-Office	6,584,128	22,171,714	3,939,008	21,600,188
Repair & Maintenance-Fixed Assets	26,024	248,336	169,984	396,739
Repair & Maintenance-Building	-	923,244	5,825	2,426,938
Water Power & Fuel charges	2,069,111	11,587,311	673,702	12,142,862
Tendering Expenses	78,802	3,552,273	139,978	4,682,055
Advertisement & Publicity	-	6,257,007	7,500	9,204,687
Legal & Professional Charges	4,351,368	30,028,775	3,167,148	34,167,382
Insurance	1,325,986	1,280,960	83,341	1,176,979
Entertainment	592,489	1,300,026	451,145	1,283,954
Bank Charges	13,271,793	3,087,268	13,976,579	4,445,368
Vehicle Running & Maintenance	427,763	3,383,558	337,240	3,351,742
Manpower Development	-	1,112,427	-	1,144,898
Loss on sale of Fixed Assets	-	3,967	-	1,618
Sponsorship Fee	-	11,236	2,300	1,790,450
Travelling & Other Incidental Expenses	35,953,489	38,926,227	30,149,983	40,020,487
CSR & Sustainability	-	1,625,173	-	6,666,763
Research & Development	-	-	-	1,208,000
Auditor's Remuneration	-	2,271,346	-	1,978,087
Business Promotion	278,941	2,477,044	259,169	2,218,727
Rent Office	5,008,497	3,777,302	4,688,662	3,494,983
Computer Expenses	76,061	3,916,631	128,324	3,726,678
Membership & Subscription Fee	1,000	1,372,267	-	1,108,761
Filing & Registration Fee	91,183	22,767	98,196	449,521
Amounts Written off	75,483	3,346,377	14,951,565	3,035,579
Assets Written off	-	44,197	-	85,143
Miscellaneous Expenses	1,870,458	2,825,150	1,817,213	3,253,262
Prior Period Other Expenses	(135,000)	2,761,000	-	101,124
<b>Total</b>	<b>78,690,138</b>	<b>169,067,315</b>	<b>80,202,523</b>	<b>181,033,700</b>
<b>Total Operating &amp; Administrative</b>		<b>247,757,453</b>		<b>261,236,223</b>

Travelling and other incidental expenses includes ₹ 10,141,757 towards site living hardship expenses (previous year ₹ 8,931,816) and travelling expenses of directors ₹ 5,915,517 (previous year ₹ 6,585,074)



(Amount in ₹)

Auditors' Remuneration	2014-2015	2013-14
Statutory Audit	1,401,302	1,383,452
Tax Audit	313,614	309,102
Cost Audit	56,430	-
Certification fees	-	-
Other Expenses	500,000	285,533
<b>Total</b>	<b>2,271,346</b>	<b>1,978,087</b>

(Amount in ₹)

Prior Period Adjustments (Net)	2014-2015		2013-14	
	Operating	Administrative	Operating	Administrative
<b>Income</b>				
Operating Income	-	-	-	-
Other Income	-	-	4,902,250	-
<b>Less: Expenses</b>				
Operating Expenses	(15,040,159)	-	1,502,737	-
Employee Remuneration and Benefits	-	234,335	-	484,781
Others	(135,000)	2,761,000	-	101,124
<b>Total</b>	<b>15,175,159</b>	<b>(2,995,335)</b>	<b>3,399,513</b>	<b>(585,905)</b>



## Note No. 2.23

(Amount in ₹)

Contingent Liabilities		As on 31.03.15	As on 31.03.14
1	In respect of legal and Arbitration:		
a	Claims pending for adjudication, amount thereof has been taken wherever quantified or reasonably ascertainable	4,633,276,434	5,432,460,231
b	In respect of cases where awards are published in favour of company but defendants have gone to appeal.	99,291,791	161,091,791
2	In respect of Indemnity bonds issued to Clients	11,000,000	44,000,000
3	In respect of Sales Tax / Works Contract Tax/ Service Tax demand in respect of completed assessments under dispute/ appeals	188,790,585	242,931,537

Against the above, the Company has corresponding counter claims.

## Note No. 2.24

Estimated amount of contracts remaining to be executed on Capital account and not provided for ₹ 13,363,509 (previous year ₹ 15,900,000) on account of implementation of ERP.

## Note No. 2.25

### Expenditure in Foreign Currency:

(Amount in ₹)

S.No.	Particulars	Year ended 31.03.15	Year ended 31.03.14
1	Operational Expenditure	5,048,576,942	3,018,581,351
2	Professional & Consultancy Charges	41,430,584	92,553
3	Foreign Exchange Fluctuation Loss	-	-
4	Purchase of Fixed Assets	820,684	2,078,480
5	<b>Administrative &amp; Other Expenses</b>		
a	Travel	7,097,684	8,115,419
b	Training Expenses	-	-
c	Tendering Expenses	1,582,732	242,024
d	Others	44,879,424	19,515,095
	<b>TOTAL</b>	<b>5,144,388,049</b>	<b>3,048,624,922</b>

### Earning in foreign currency:

(Amount in ₹)

S. No.	Particulars	Year ended 31.03.15	Year ended 31.03.14
1	Work Receipts	5,914,180,245	3,408,527,663
2	Interest Income	5,312,459	1,327,225
3	Foreign Exchange Fluctuation Gain	11,943,813	47,123,102
4	Others	36,620	8,983
	<b>TOTAL</b>	<b>5,931,473,138</b>	<b>3,456,986,972</b>

Surplus received from Oman & Srilanka ₹ 825,549,625 equivalent USD 13,350,000 (previous year ₹ 482,330,700 equivalent USD 79,80,000) during the financial year 2014-15.

## Note No. 2.26

- Conveyance deeds in respect of building at Scope Complex, New Delhi included in fixed assets at a cost of ₹ 37,441,925 (previous year ₹ 37,441,925) is pending for execution in the name of Company.
- Company has availed non fund based credit limits of ₹ 6,092,895,671 (Previous year ₹ 6,929,548,499) from banks without any security.
- As on 31.03.2015 Company has pledged fixed deposits amounting to ₹ 43,178,801 (Previous year ₹ 56,767,128) with clients/others on account of earnest money deposit/security deposit out of which fixed deposit of ₹ 5,000,000 submitted to Client is under dispute, matter is sub judice.

## Note No. 2.27

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

### Primary Segment Information (Geographic)

(Amount in ₹)

Particulars	March 31, 2015				March 31, 2014			
	Domestic	Foreign	Un-allocated	Total	Domestic	Foreign	Un-allocated	Total
<b>Type of Business</b>	<b>Construction</b>				<b>Construction</b>			
Revenue from Operations	4,398,641,142	5,914,180,245	-	10,312,821,386	5,143,144,780	3,408,527,663	-	8,551,672,443
Other Income	228,869,407	17,292,893	32,764,464	278,926,763	238,175,768	48,459,309	66,764,497	353,399,574
Total Income	4,627,510,549	5,931,473,138	32,764,464	10,591,748,150	5,381,320,548	3,456,986,972	66,764,497	8,905,072,017
<b>Results</b>								
Profit before Depreciation, Interest and Tax	69,393,201	486,230,435	(62,976,962)	492,646,675	240,687,464	148,768,961	(24,262,586)	365,193,839
Depreciation	5,391,858	485,584	4,084,422	9,961,864	4,654,386	302,113	4,973,490	9,929,989
Interest	41,418,347	-	29,196,860	70,615,207	86,693,211	-	7,517,723	94,210,934
Profit before Tax	22,582,997	485,744,852	(96,258,243)	412,069,605	149,339,867	148,466,848	(36,753,799)	261,052,916
Tax Expense	-	-	-	141,207,541	-	-	-	91,109,195
Profit After Tax	22,582,997	485,744,852	(96,258,243)	270,862,064	149,339,867	148,466,848	(36,753,799)	169,943,721
<b>Other Information</b>								
Total Assets	14,200,273,507	3,165,168,252	1,071,834,243	18,437,276,002	17,294,618,852	4,236,045,280	805,988,047	22,336,652,179
Fixed Assets (Net Block)	33,407,630	2,077,693	59,763,657	95,248,980	32,243,698	1,742,593	58,275,500	92,261,790
Total Liabilities	12,430,802,887	3,160,967,100	682,412,238	16,274,182,225	15,589,911,071	4,137,991,996	630,026,457	20,357,929,524
Capital Expenditure Addition to Fixed Assets	6,791,624	820,684	5,833,049	13,445,356	23,408,454	2,078,480	13,379,533	38,866,466

## Note No. 2.28

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

(Amount in ₹)

S. No.	Particulars	As on 31.03.2015	As on 31.03.2014
1	Revenue from operations	10,312,821,386	8,551,672,443
2	Contract costs incurred and profit recognised upto the reporting date	55,547,810,810	45,834,062,659
3	Advances received	4,086,764,163	4,488,485,821
4	Gross amount due from customers for contract work-presented as an asset	3,958,461,015	4,680,427,390
5	Gross amount due to customers for contract work- presented as a liability	858,963,871	855,621,830
6	Retention money Receivable	1,809,829,253	1,643,900,601



## Note No. 2.29

### Employee benefits:

The company has classified various employee benefits as under:

- Contribution to Provident Fund ₹ 38,380,779 (previous year ₹ 34,254,382) has been charged to Profit and Loss Account. Further, the fund has interest shortfall of ₹ 1,920,013 (previous year ₹ 1,714,476) for the year which has been compensated and charged to Profit and Loss Account.
- The company also provides for gratuity, long term compensated absences, post-retirement medical benefits and Long service award on actuarial basis.

#### i) Changes in defined benefit obligation

(Amount in ₹)

Particulars	Gratuity	Long term compensated absences	Long service award	Post-retirement medical benefit
	(Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)
Discount rate	9.00% (9.15%)	9.00% (9.15%)	9.00% (9.15%)	9.00% (9.15%)
Rate of increase in compensation levels/ Premium Inflation *	5.00%	5.00%	-	0.50%
Expected rate of return on assets *	8.40%	-	-	-
Retirement Age *	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
Average reimbursement per Couple	- -	- -	- -	₹ 46,060 (₹ 49,155)
Age*	Employee Turnover (%)			
Upto 30 Years	3.00%	3.00%	3.00%	3.00%
From 31 to 44 Years	2.00%	2.00%	2.00%	2.00%
Above 44 Years	1.00%	1.00%	1.00%	1.00%
Projected Benefit Obligation at the beginning of year	145,380,147 (156,667,408)	124,911,989 (151,736,610)	6,673,650 (7,147,582)	122,972,341 (95,392,103)
Current service cost	12,015,661 (12,835,390)	7,961,890 (9,188,925)	356,839 (371,648)	4,673,849 (3,842,947)
Interest cost	12,897,561 (13,465,802)	10,966,783 (13,288,141)	569,572 (577,152)	11,178,270 (8,108,329)
Actuarial (Gain)/loss	(8,434,638) ((15,875,957))	6,381,252 ((9,696,014))	289,810 (35,688)	8,405,230 (25,509,103)
Acquisition adjustment	- (450,690)	- -	- -	- -
Benefits Paid	(21,960,821) ((22,163,186))	(22,150,771) ((39,605,673))	(1,713,270) ((1,458,420))	(18,435,479) ((9,880,141))
Projected Benefit Obligation at end of year	139,897,910 (145,380,147)	128,071,143 (124,911,989)	6,176,600 (6,673,650)	128,794,211 (122,972,341)

\* Same as previous year



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

(Amount in ₹)

Particulars	2014-15	2013-14
	(Funded)	(Funded)
Fair value of Plan Assets as at beginning of the year	144,994,542	148,918,985
Expected Return on Plan Assets	11,273,382	12,018,934
Actual Contributions	385,605	7,748,423
Actuarial Gain / (Loss)	792,090	(1,979,305)
Benefits Paid	(21,960,821)	(22,163,186)
Acquisition Adjustment	-	450,690
Fair value of Plan Assets as at end of the year	135,484,798	144,994,542

**(iii) Amount recognized in the Balance Sheet**

(Amount in ₹)

Particulars	Gratuity	Long term compensat-ed absences	Long service award	Post retire-ment medi-cal benefit
	(Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)
Defined benefits obligation as at end of year	139,897,910 <i>(145,380,147)</i>	128,071,143 <i>(124,911,989)</i>	6,176,600 <i>(6,673,650)</i>	128,794,211 <i>(122,972,341)</i>
Fair value of plan assets as at end of year	135,484,798 <i>(144,994,542)</i>	- -	- -	- -
Funded Status Asset / (Liability)	(4,413,112) <i>((385,605))</i>	(128,071,143) <i>((124,911,989))</i>	(6,176,600) <i>((6,673,650))</i>	(128,794,211) <i>((122,972,341))</i>
Net (Liability)/ Asset recognized in Balance Sheet	(4,413,112) <i>((385,605))</i>	(128,071,143) <i>((124,911,989))</i>	(6,176,600) <i>((6,673,650))</i>	(128,794,211) <i>((122,972,341))</i>

**(iv) Expenses recognized in the Profit and Loss Account**

(Amount in ₹)

Particulars	Gratuity	Long term compensat-ed absences	Long service award	Post retire-ment medi-cal benefit
	(Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)
Current Service cost	12,015,661 <i>(12,835,390)</i>	7,961,890 <i>(9,188,925)</i>	356,839 <i>(371,648)</i>	4,673,849 <i>(3,842,947)</i>
Interest cost	12,897,561 <i>(13,465,802)</i>	10,966,783 <i>(13,288,141)</i>	569,572 <i>(577,152)</i>	11,178,270 <i>(8,108,329)</i>
Expected return on Plan Assets	11,273,382 <i>((12,018,934))</i>	- -	- -	- -
Net actuarial (Gain)/ Loss recognized in the period	(9,226,728) <i>((13,896,653))</i>	6,381,252 <i>((9,696,014))</i>	289,810 <i>(35,688)</i>	8,405,230 <i>(25,509,103)</i>
Expenses recognized in the P & Loss A/c	4,413,112 <i>(385,605)</i>	25,309,925 <i>(12,781,052)</i>	1,216,220 <i>(984,488)</i>	24,257,349 <i>(37,460,379)</i>

Figures of previous year are indicated in italics &amp; brackets ( ).



## Note No. 2.30

### Related Party Disclosures

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

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

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

Shri Vinoo Gopal, Director (Projects)

Shri A.V.V.Krishnan, Director (Finance)

Shri K.S. Rao, Director

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

Particulars	2014-15	2013-14
Salary	7,223,577	6,059,148
Contribution to provident fund	667,512	490,688
House rent	1,520,506	1,182,856
Medical Expenses	303,112	44,821
Sitting fees	155,000	160,000

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

## Note No. 2.31

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

Particulars	As at 31 March 2015		As at 31 March 2014	
	Quantity (MT)	Value (₹)	Quantity (MT)	Value (₹)
CEMENT	570.92	3,066,497	410.15	2,338,790
STEEL	2,212.21	104,757,172	1,595.51	72,495,639
STEEL PIPES	93142.22 (RMT)	27,705,428	-	-

## Note No. 2.32

Lease rental expenses under the cancellable operating leases amounting to ₹ 8,785,799 (previous year ₹ 8,183,645) for the year has been charged to profit and loss account.

## Note No. 2.33

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



no amount due for more than forty five days payable to these identified entities at any time during the year.

### **Note No. 2.34**

In view of direction from Ministry of Heavy Industries and Public Enterprises, Department of Heavy Industry vide letter No. F, No.16 (1)/2010-TSW dated 10th June 2010, as regards disinvestment of equity, following actions have already been initiated:

- 1) Amendment in the Memorandum and Articles of Association of the Company was made and conversion of Company into a Public Limited was completed on 09.12.2010;
- 2) Splitting of its equity shares in the denomination of face value ₹10/- each from the face value of ₹ 38.95 each was completed in the AGM held on 30.09.2011;
- 3) All the shareholders were given an option to convert their physical shares in dematerialize form. However shares continue to be held in physical form; and
- 4) Reducing the contingent liabilities in order to fetch better market price for the shares.

### **Note No. 2.35**

#### **Movement in Provisions**

(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)
Income Tax	241,231,482	143,553,346	107,516,801	2,113,002	275,155,025
Dividend	70,845,376	70,845,376	70,845,376	-	70,845,376
Dividend Tax	12,040,172	14,422,454	12,040,172	-	14,422,454
Project Contingencies	124,708,933	4,212,600	-	372,012	128,549,521
Employee Benefits	254,943,586	55,196,605	42,685,126	-	267,455,065
<b>Total</b>	<b>703,769,548</b>	<b>288,230,381</b>	<b>233,087,474</b>	<b>2,485,014</b>	<b>756,427,441</b>
Previous Year	674,272,954	216,811,801	186,723,349	591,858	703,769,548

### **Note No. 2.36**

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

### **Note No. 2.37**

During the year, with effect from April 1, 2014, the Company has revised the estimated useful lives of assets on account of adoption of Schedule II to Companies Act 2013. Consequent to the change in the useful lives of the Fixed Assets, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹436,619 against the opening Surplus balance in the



Statement of Profit and Loss under Reserves and Surplus. Due to change in policy, on rest of the fixed assets depreciation charge for the year is lower by ₹1,881,889 and current year profit is higher by ₹1,881,889.

### **Note No.2.38**

The provisions of Section 135 of the Companies Act, 2013 are applicable to the Company. Accordingly, the Company has spent ₹ 2,411,666 during the year on account of expenditure towards corporate social responsibility. No expenses have been incurred on construction of a capital asset under CSR during the year

### **Note No. 2.39**

Basic and diluted earnings per share are computed by dividing net profit after tax ₹ 270,862,063 (previous year ₹169,943,721) by 35,422,688 fully paid up equity share of ₹ 10 each.

	<b>2014-15</b>	<b>2013-14</b>
Basic and diluted earnings per share (₹)	<b>7.65</b>	<b>4.80</b>

### **Note No. 2.40**

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

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

Sd/-  
**(Sudha V. Varadhan)**  
Company Secretary

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

Sd/-  
**(A.V.V. Krishnan)**  
Director (Finance)

Sd/-  
**(SPS Bakshi)**  
Chairman-cum-Managing Director

**Satyendra Jain & Associates**  
Chartered Accountants  
Firm Registration No.012018 N

Sd/-  
**CA Anil Jain**  
Partner  
Membership No. 072783

Place: New Delhi  
Dated: 21<sup>st</sup> August, 2015



## **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) LTD. FOR THE YEAR ENDED 31 MARCH 2015.**

The preparation of financial statements of Engineers Project (India) Ltd. for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 August 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of Engineers Project (India) Ltd. for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

Sd/-  
**(Vimalendra Patwardhan)**  
**Principal Director of Commercial Audit  
& ex-officio Member, Audit Board-I,  
New Delhi.**

Place: New Delhi

Dated: 24 September 2015



# Sports Complex Centre, Bilaspur



# Tripura University - Academic Building





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

**ENGINEERING PROJECTS (INDIA) LTD.**

(A Government of India Enterprise)

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