



46^{वीं} वार्षिक प्रतिवेदन 46th Annual Report 2015 - 2016



इंजीनियरिंग प्रोजेक्ट्स (इंडिया) लि.
(भारत सरकार का उद्यम)
ENGINEERING PROJECTS (INDIA) LTD.
(A GOVERNMENT OF INDIA ENTERPRISE)

NAMAMI GANGE PROGRAMME UNDER NATIONAL MISSION FOR CLEAN GANGA IN WEST BENGAL



नमामि गंगे
 नमामि गंगे के अंतर्गत विभिन्न परियोजनाओं का
शुभारंभ
 दिनांक 7 जुलाई, 2016
 स्थान-बजबज
श्री अनंत ग. गीते
 माननीय केंद्रीय मंत्री, भारी उद्योग एवं सार्वजनिक उपकरण मंत्रालय, भारत सरकार
 की गरिमामयी उपस्थिति में सम्पन्न हुआ।
 अन्य उपस्थित अतिथिगण

श्री अशोक कुमार देव माननीय विधायक बजबज विधानसभा क्षेत्र	श्रीमती फुलु डे माननीया अध्यक्ष बजबज नगरपालिका	श्री गौतम दासगुप्ता माननीय उपाध्यक्ष बजबज नगरपालिका
श्री एस पी कर परियोजना निदेशक स्टेट प्रोग्राम मैनेजमेंट ग्रुप	श्री देवाशीष सेन अपर मुख्य सचिव पश्चिम बंगाल सरकार	डा. रजत भागवत संयुक्त सचिव स्व. मिशन निदेशक

राष्ट्रीय स्वच्छ गंगा मिशन



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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

(As on date of 46TH AGM)



Shri S P S Bakshi
Chairman-cum-Managing Director



Shri Vinoo Gopal
Director (Projects)



Shri R. K. Singh
Part Time Official Director



Shri Siya Sharan
Part Time Official Director



Dr. K. S. Rao
Independent Director



Smt. Anita Chaudhary
Independent Director



Shri Sushant Baliga
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@engineeringprojects.com
Website : www.engineeringprojects.com

REGIONAL OFFICES

Eastern Regional Office-Kolkata

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

Western Regional Office-Mumbai

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

Northern Regional Office-Delhi

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

Southern Regional Office-Chennai

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

North Eastern Regional Office

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

CAMP OFFICE MUSCAT

Engineer-3 Project
C/o Engineering Projects (India)
Limited-OMAN, Post Box No. 3251
Postal Code :- 112 RUWI
Sultanate of Oman
E-mail Id:
shamsher-singh@engineeringprojects.com
Phone: +96891376103

SRI LANKA PROJECT

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

SAUDI ARABIA OFFICE

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

AUDITORS: Statutory Auditors

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

Branch Auditors

M/s. Yoganandh & Ram
Chartered Accountants
G-1, Shree Vishnu Apartments
12, 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
Kolkata-700001, West Bengal

M/s. ABM & Associates LLP

Chartered Accountants
1, Abhishek Building,
B-72/2, Sector 23, Seawoods
Nerul, Navi Mumbai-400706

M/s. AIYAR & CO.

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

FOREIGN BRANCH AUDITORS

Branch Auditors Sri Lanka

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

Branch Auditors Oman

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

Cost Auditor

M/s. A.G. Agarwal & Associates

Cost Accountants
IIB/76 Usha Villa, Vaishali,
Ghaziabad, UP - 201010

Secretarial Auditor

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

BANKERS

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



FINANCIAL STATUS FOR LAST FIVE YEARS

(Rs. Lakhs)

Particulars/Years	2011-12	2012-13	2013-14	2014-15	2015-16
A. Operating Statistics					
Turnover (Operating Income)	90127.34	84060.96	85516.72	103,128.21	129,546.44
Other Income	3645.25	4443.17	3534.00	2,789.27	2,772.96
Total Income (a)	93772.59	88504.13	89050.72	105,917.48	132,319.40
Total Expenditure (b)	89416.13	84615.02	85398.78	100,991.01	127,805.15
Gross Margin (a-b)	4356.46	3889.11	3651.94	4,926.47	4514.25
Interest	647.45	631.76	942.11	706.15	580.93
Depreciation	72.53	91.89	99.30	99.62	114.15
Profit Before Tax (PBT)	3636.46	3165.46	2610.53	4,120.70	3,819.17
Income Tax	1189.75	1019.58	911.09	1,412.08	1364.55
Profit After Tax (PAT)	2446.71	2145.87	1699.44	2,708.62	2454.63
Transitional Depreciation Impact on Opening Reserves	-	-	-	4.37	
Dividend Paid	708.45	708.45	708.45	708.45	1,081.55
Dividend Distribution Tax Paid	114.93	120.40	120.40	144.22	220.18
Balance Carried Forward to Reserves & Surplus	1623.33	1243.62	862.73	1,851.58	1152.90
No. of Employees	419	435	437	436	400
No. of Equity Shares of Rs.10/- each	35422688	35422688	35422688	35422688	35422688
B. Financial Position					
Share Capital	3542.27	3542.27	3542.27	3,542.27	3,542.27
Reserve and Surplus (Free Reserves)	14130.76	15374.37	16237.10	18,088.67	19,241.57
CSR Reserve	-	76.98	7.86	-	-
Net Worth (Shareholders' Funds)	17673.03	18916.64	19779.37	21,630.94	22783.84
Capital Employed	17673.03	18916.64	19779.37	21,630.94	22783.84
C. Financial Ratios					
Turnover per Employee (Rs. In lakhs)	215.10	194.14	195.69	236.53	323.87
Gross Margin / Turnover (%)	4.83	4.63	4.27	4.78	3.48
Profit Before Tax (PBT)/ Turnover (%)	4.03	3.77	3.05	4.00	2.95
Profit Before Tax (PBT)/ Net Worth (%)	20.58	16.73	13.20	19.05	16.76
Profit After Tax (PAT)/ Net Worth (%)	13.84	11.34	8.59	12.52	10.77
Dividend paid / Profit before tax (%)	19.48	22.38	27.14	17.19	28.32
Dividend paid / Profit after tax (%)	28.96	33.01	41.69	26.16	44.06
Basic and Diluted EPS (in Rs)	6.91	6.06	4.80	7.65	6.93
NAV Per Share having Face Value of Rs.10/- each	49.89	53.40	55.84	61.07	64.32



CHAIRMAN'S ADDRESS

Dear Shareholders'

It gives me immense pleasure to welcome you all to this 46th Annual General Meeting of your Company. The 46th Annual Report for the year 2015-16 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:

Industrial sector plays an important role in realizing higher economic growth in the country. The year 2015-16 has witnessed a tumultuous global economic environment with major economies showing signs of slowdown in growth. However, the Indian economy has emerged as the fastest growing economy with high growth rate. The manufacturing sector has been a major contributor in sustaining this high growth rate. Many policy measures taken by the government for creating enabling environment for industrial growth have started showing its impact on increased FDI inflows, better performance of infrastructure sector.

Infrastructure sector is also key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. The landmark initiatives like Make in India, Ease of Doing Business, Start Up India, Digital India, and Smart Cities, etc. will provide further impetus to industries and the industrial sector is expected to be the key driver of economic growth in the country. These initiatives would also help in transforming infrastructure sector which is essential for achieving and sustaining higher economic growth.

Business Opportunities:

The future strategy of the Company for expansion of business would be to focus on Global market which gives good profit margins as compared to Domestic market where due to stiff competition the profitability is meager 2 to 3%. Apart from Oman and Sri Lanka where company is already having presence, the company has established its office in Saudi Arabia and started its marketing activities. The opportunities in African Countries, Malaysia, Kuwait, Dubai, Bangladesh, Nepal, Myanmar etc. are being explored. The company is making all out efforts to grab the opportunities in developing and Middle East countries in Real estate and infrastructure sectors.

Your company is gearing up and focusing to tap opportunities arising in the field of Smart City Projects, Road Projects, Major/ minor ports (inland waterways), Airports Projects, Railway works, MRTS, Renewal energy projects etc.



Marketing Initiatives:

Your Company has re-entered into foreign markets after a long gap and secured overseas projects in Oman, Sri Lanka etc. and more efforts are being put in to secure business in Malaysia, Bangladesh, Saudi Arabia, Kuwait and African Countries. Your Company is also making efforts to grab the opportunities arising in the fields of Smart Cities, Renewable Energy projects, Urban Infrastructure, Border Management, Road and Railway Sector projects in India as well as abroad.

Keeping in view the various Government of India's initiatives/policies such as ease in FDI's, Make in India etc., your company has entered/is entering into MOUs with suitable entities for securing works in infrastructure development sector.

Performance Highlights:

During 2015-16, your Company has secured projects worth Rs.4012 crores in India and abroad (Oman project-phase-II). I am delighted to state that the current years order book position has more than doubled as compared to previous years Order book position. 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, road flyover project Dehradun. Your company is also executing prestigious Ganga Project in the state of West Bengal under National Mission for Clean Ganga (NMCG), Ministry of Water Resources, River Development and Ganga Rejuvenation. I am confident that the Company shall grow further through its efforts of diversification/entering new areas of business.

Financial highlights

I take pride in stating that the total income of the Company for the year 2015-16 is Rs.1323. 19 Crores, higher than the previous year. Your Company has achieved an operating turnover of Rs. 1,29,546 Lakhs which is 25.62% increase over previous year which is highest ever growth since 2005-06.

Operational highlights

During 2015-16 'Industrial, Process Plant, Material Handling and Electrical Boarder Management Projects' segment is the highest contributor (57.20%), to the total turnover of the Company followed by Housing & Building Works whose percentage share has increased to 35.67%. In the last 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 Rs.1295.46 crores, comprising of Rs 797.69 crores (61.58 %) from domestic projects and Rs. 497.78 Crores (38.42%) 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 2014-15.



Dividend

Your Directors have recommended a dividend of Rs. 3.05 per share (rounded) for the year 2015-16 as against Rs. 2 per share for the year 2014-15.

Human Resource

Your company focuses on development of its human resource including minorities and women employees by nominating them for In house and outside training programmes, seminars and workshops to enhance technical, communication and personal skills from time to time at various levels. Your company makes all efforts to retain its present manpower.

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 2015-16, your Company has undertaken maintenance of 10 no. of toilets constructed under Swachh Vidyalaya Campaign in the state of Assam and West Bengal, provided Reverse Osmosis (RO) Plants for safe drinking water at Veddemkunta village, Andhra Pradesh, Provided RO Plant and Solar Lights at Pilibhit, Uttar Pradesh etc. A report giving details of the activities and plan for coming year is attached as annexure to the Directors' Report.

Acknowledgement

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

Sd/-

(S P S Bakshi)

Chairman-cum-Managing Director

DIN:02548430

Place: New Delhi

Date: 30thSeptember 2016



NOTICE

Notice is hereby given that the 46th Annual General Meeting of the members of Engineering Projects (India) (EPI) Limited will be held at the Registered and Corporate Office of the Company at Core 3, SCOPE Complex, (4th Floor), 7 Lodhi Road, New Delhi – 110003 on Friday, the 30th September 2016 at 11.30 AM to transact the following business :

Ordinary Business

1. To receive, consider and adopt the audited financial statements of the Company for the year ended 31st March 2016 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 31st March 2016 comprising Balance Sheet as at 31st March 2016, the Statement of Profit and Loss Account for the year ended 31st March 2016 along with Notes and Annexures, and the Auditors’ Report thereon, and the Directors’ Report along with its annexures including Management Discussion and Analysis Report, Report on Corporate Governance, and Corporate Social Responsibility and Sustainability Report, Secretarial Audit Report, Extract of the annual return (MGT-9), Form AOC-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 adopted.”

2. To declare dividend on equity shares for the financial year 2015-16, and to pass the following resolution, with or without modification (s) :

“RESOLVED THAT pursuant to section 123 of the Companies Act, 2013, dividend @ Rs.3.05 per share amounting to Rs.10.82 Crore for the year 2015-16, which is 5% of the net worth amount of Rs. 216.31 Crores as on 31.03.2015 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 2016-17 as approved by the Board of Directors in its 249th meeting held on 5th September 2016 (as recommended by Audit Committee) and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary resolution:

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



approved by the Board of Directors to be paid to M/s. A.G. Agarwal & Associates as Cost Auditor for the financial year 2016-17 be and is hereby ratified and confirmed.”

4. Amendment in Memorandum of Association of EPI

To amend/alter the Memorandum of Association of EPI in line with the Companies Act, 2013 and by adding the four Main objects after Sl. No. 5 of Clause III. (A) of the MOA as approved by the Board of Directors in its 244th meeting held on 2nd January 2016 and in this regard, to consider and if thought fit, to pass the following resolution as an Special resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under, consent of the Members of the Company be and is hereby given to the effect that following sl. no.6,7,8,9 be added after sl. no. 5 of clause III. A of the Memorandum of Association of the Company:

6. To carry on the business as merchants, contractors, agents, importers, exporters, factors, warehousemen for procurement/import and selling of materials such as coal, coal ash, iron ore, natural gas, crude oil, Palm oil, mineral oils etc., including transportation thereof.
7. To provide operation & maintenance/maintenance services for large infrastructure projects for projects/buildings already in operation and owned by Govt./State Governments/Public sector undertakings/Govt. and state authorities.
8. To carry on the business of procurement, supply, installation, commissioning of industrial and commercial security systems, equipments, instruments, cables, communications, electronic surveillance equipments and appliances, security cameras, night vision camera's sensor cables, fence for Surveillance/Security systems for Border management Projects, Railway works, City/ townships project/works related with Smart city, River cleaning projects, Integrated Infrastructure management projects such as water management etc., installation like nuclear, Power, civil, refineries, Airports and other infrastructural activities, malls, hotels Buildings and providing maintenance services, Solar power equipments and installation, integration, testing and commissioning of the equipments as mentioned above.
9. To execute construction related or construction/project/IT Infrastructure linked integrated software systems including computer software packages, e-governance, programs and solutions, Satellite based Surveillance and Survey System, Traffic Management/Signal processing system, and to procure/install electric & electronic components including cooling system, LAN, WAN required to start integrated services like Data Centre, execute Technology parks/e-governance/smart city/ smart village projects in India and abroad’.

“**RESOLVED FURTHER THAT** clause III. C of the Memorandum of Association be merged with Clause III. B and sl. no. 1 to 47 of clause III.C be inserted after sl no. 5 of Clause III. B and accordingly be re-numbered i.e. from sl. no. 6 to 52.”



“RESOLVED FURTHER THAT Directors/Company Secretary of the Company, be and are hereby severally authorised to do all such deeds and actions as may be necessary, proper or expedient to give effect to the above resolution(s).

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

(Sudha V. Varadhan)

Company Secretary

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

Date: 05th September 2016

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. Corporate members are requested to send a duly certified copy of the Board Resolution authorizing the representative to attend and vote on their behalf at the meeting.
3. 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)).
4. 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).
5. Pursuant to the Circular No 17/2011 dated 21st April, 2011 and Circular No 18/2011 dated 29th April, 2011 on green initiative issued by the Ministry of Corporate Affairs, members holding shares in physical form are requested to register their e-mail address with the Company or Registrars & Share Transfer Agent (RTA). Any changes therein may also be informed from time to time, to enable the Company to serve notice / documents through e-mail.
6. Route Map indicating venue of the AGM is given at the end of the Notice.



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

Item No. 3: Ratification of remuneration of Cost Auditor

The Board, on the recommendation of the Audit Committee, had appointed M/s A. G. Agarwal & Associates as Cost Auditor to conduct audit of cost records of the Company for the financial year 2016-2017 at a remuneration amounting Rs. 59,940/- (Rupees Fifty Nine Thousand Nine Hundred Forty only) plus applicable tax, TA/DA and out of Pocket expenses to be paid as per actuals for the visits outside Delhi/NCR. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, the Resolution at Item No.3 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members of the Company.

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

Item No. 4: Amendment in Memorandum of Association of EPI

The Company proposes and wishes to expand its operations in the field of Railways and also wishes to be end-to-end IT solutions provider to the Infrastructure Industry. Further due to enactment of Companies Act, 2013, the Company is required to have its MOA in line with the provisions of Companies Act, 2013. Accordingly, the Board of Directors in its 244th meeting held on 2nd January 2016 accorded approval to amend/ alter the Memorandum of Association of EPI in line with the Companies Act, 2013 and to adding the four Main objects after sl. No.5 of Clause III.(A) of the MOA. Board of Directors in its meeting held on 5th September 2016 also accorded approval to the altered object clause of MOA. The altered/amended MOA is at Annexure I.

As per the provision of Section 13 of the Companies Act, 2013 read with rules made thereunder, a Company may by Special Resolution passed in General Meeting of Shareholders alter the provision of Memorandum of Association. Accordingly, the Resolution at Item No.4 of the Notice is set out as a Special Resolution for approval 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. G S A & Associates, Statutory Auditors,
16 DDA Flat Ground Floor, Panchsheel Shivalik Mor
Near Malviya Nagar, New Delhi- 110017



3. M/s Vishal Agarwal & Associates (Company Secretaries)
Secretarial Auditor, EPI
39/2068, Naiwala, 315, Dakha Chambers,
Karol Bagh, New Delhi-110005
4. All Directors of EPI

Copy to:

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

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

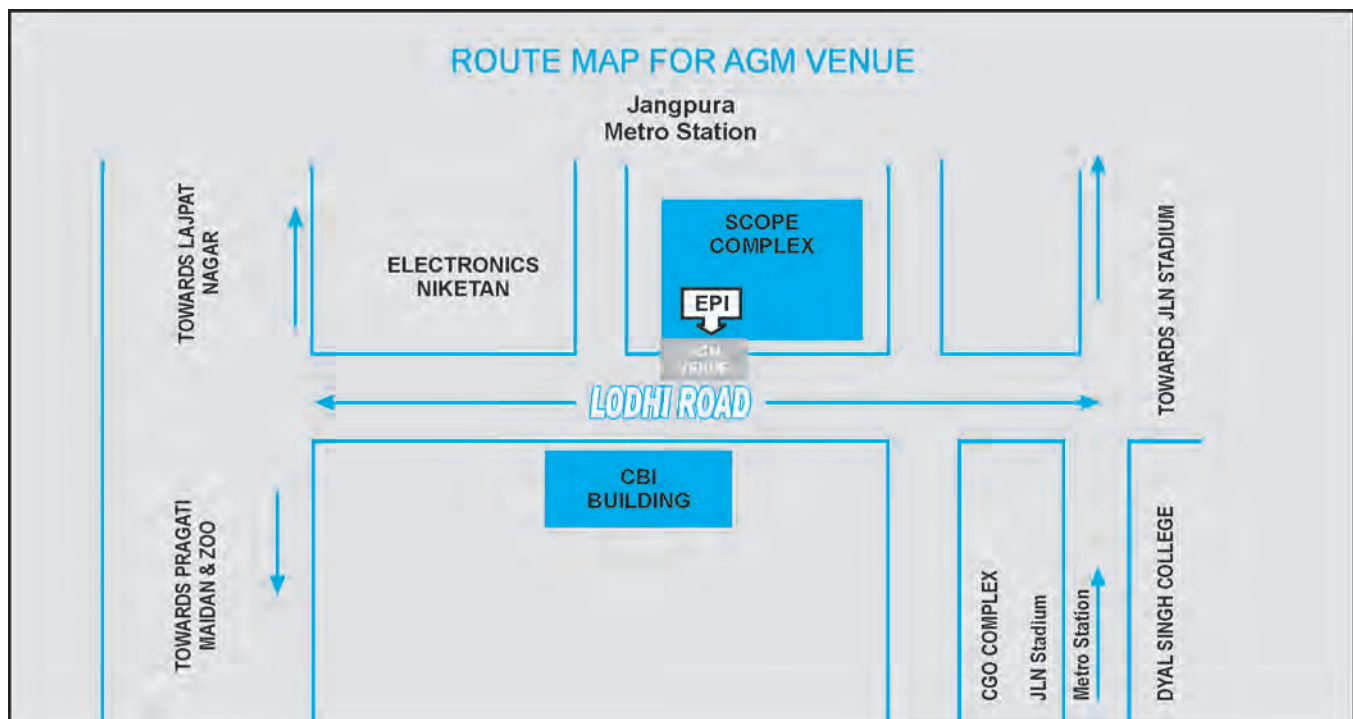
(Sudha V. Varadhan)

Company Secretary

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

Date: 05th September 2016

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 46th Annual General Meeting (and any other adjourned meeting thereof) of the Shareholders of EPI to be held on 30th September, 2016.

Thanking you,

Yours' faithfully,

Signature
Designation
Stamp and Seal

Place:

Date:



FORM NO. MGT-11 PROXY FORM

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

CIN:

Name of the company:

Registered Office:

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

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

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

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

3. Name:.....
Address:
E-mail Id:
Signature:

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

Resolution No.
1.....
2.....
3.....

Affix Revenue Stamp

Signed this day of 20.....

Signature of shareholder

Signature of Proxy holder(s)

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



ATTENDANCE SLIP

46th Annual General Meeting, Friday, 30th September 2016 at 11:30 A.M.

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

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company and hereby record my presence at the 46th Annual General Meeting of the Company on Friday, 30th September, 2016 at 11:30 A.M at Core-3, SCOPE Complex, 4th Floor, 7 Lodhi Road, New Delhi-110003.

Member's/Proxy's name in Block Letters

Member's/Proxy's Signature

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



DIRECTORS' REPORT

Dear Members'

Your Directors have the pleasure in presenting the 46th Annual Report on the performance of the Company during the financial year 2015-16.

1. FINANCIAL HIGHLIGHTS

During the year 2015-16, the Company achieved an operating turnover of Rs. 1,29,546 Lakhs as against turnover of Rs.1,03,128 lakhs achieved during the previous year which is 25.62% increase over previous year. Profit Before Tax (PBT) earned during this period stood at Rs. 3,819 Lakhs in comparison to Rs 4,121 lakhs earned during 2014-15 which is decrease of 7.33 % over previous year.

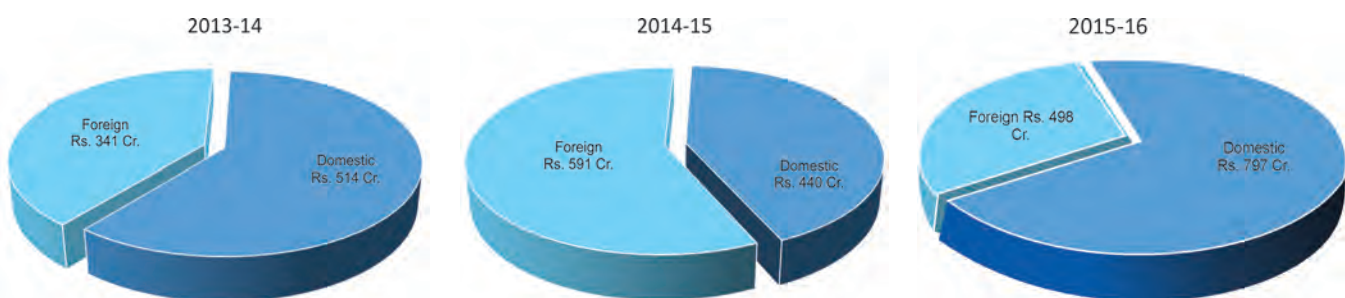
The financial highlights of your Company during the year 2015-16 along with the corresponding previous year figures are as under-

(Rs. Lakhs)

Sl. No.	Description	2015-16	2014-15
1.	Operating Turnover	1,29,546	1,03,128
2.	Other Income	2,773	2,670
3.	Total Income	1,32,319	1,05,798
4.	Gross Margin	4,514	4,926
5.	Interest Paid	581	706
6.	Depreciation	114	99
7.	Profit Before Tax	3,819	4,121
8.	Taxes	1,364	1,412
9.	Profit After Tax	2,455	2,709
10.	Net Worth	22,784	21,631

The Net Worth of the Company increased from Rs. 21,631 Lakhs to Rs. 22,784 lakhs which is an increase of 5.33% over the previous year. The return on capital employed in 2015-16 is 19.31% as against 22.32% in 2014-15.

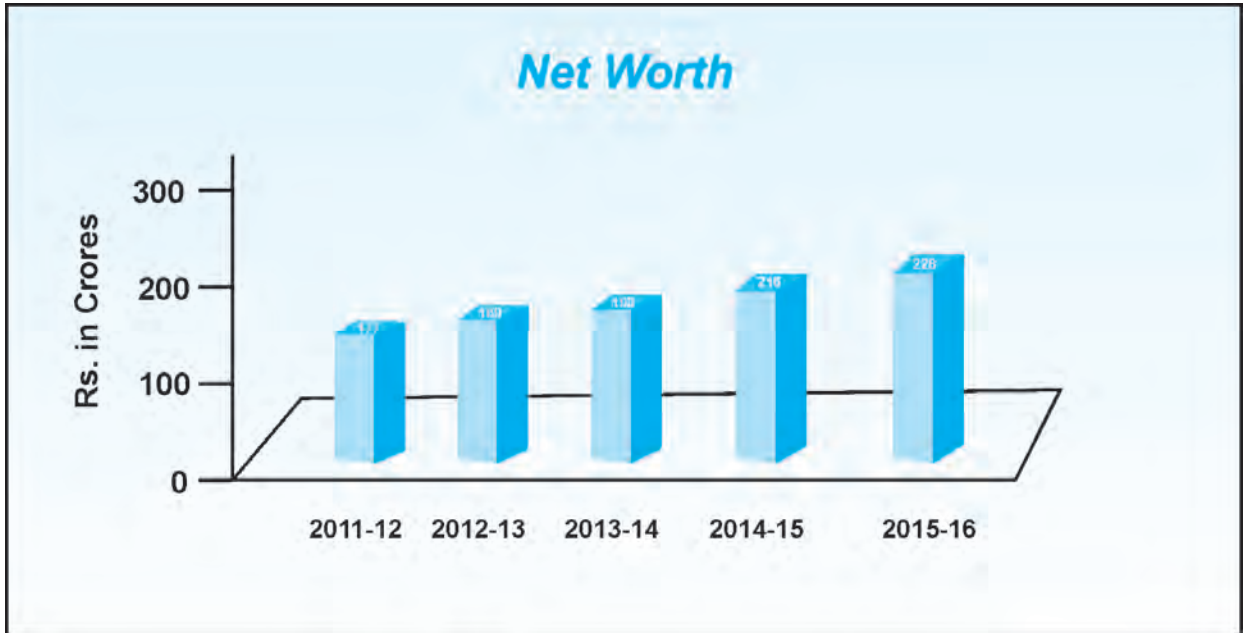
Turnover - Domestic & Foreign





2. CAPITAL STRUCTURE

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



3. DIVIDEND & RESERVES

Your Directors recommend a dividend of Rs. 3.05 per share for the year 2015-16 which is 5% of the net worth of Financial Year 2014-15. 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 2015-16 would be Rs 1082 lakhs and Rs 220 lakhs respectively.



Shri Anant G Geete, Hon'ble Minister for Heavy Industries and Public Enterprises receiving cheque towards final dividend for the year 2015-16



Your Directors propose to transfer an amount of Rs. 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 2016 stands at Rs. 19242 Lakhs.

4. MARKETING ACHIEVEMENTS

During the financial year 2015-16, Company has secured projects worth Rs. 4012 crores. Some of the major projects secured are given below:

Sl. No.	Name & Place of the Project	Client	Value (Rs. Crores)
OVERSEAS			
1	Engineer - 3 Project (Phase - II), Oman.	Sultanate of Oman.	3004.24 (USD 470 Million)
DOMESTIC			
1.	Providing Technical Services and Construction Supervision of AP Markfed Works in Vijayawada, Kakinada, Machilipatnam & Anantpura.	Andhra Pradesh State Co-Operative Marketing Federation Ltd. (AP MARKFED).	393.30
2.	PMC for Construction of Medical college Campus for 100 MBBS Admission Annually and Up-gradation of the Govt. District Hospital, Barmer.	Department of Medical Education, Govt. of Rajasthan.	200.40
3.	Construction of Township at Khilpara, Tripura for 2x363.3 MW Gas Based Combined Cycle Power Plant of OTPC at Palatamna, Udaipur, Tripura.	ONGC Tripura Power Company Limited, New Delhi.	106.00
4.	Design & Construction of Modernized and Technologically Advanced Work Centers and other Buildings for Offices and State-of-the-Art R&D Centre at ALIMCO, Kanpur and Construction of Auxiliary Production unit at Ujjain and other Civil Renovation works required at ALIMCO – HQ, AAPCs, RMCs & AOC etc.	Artificial Limbs Manufacturing Corporation of India (ALIMCO), Kanpur.	90.10



5.	Construction of Residential & Non-Residential Buildings for 53rd Battalion ITBP at Chittoor (AP).	Directorate General, Indo-Tibetan Border Police (I.T.B.P.)	65.75
6.	Establishment of RGCB Bio - Innovation Centre Phase - I at Akkulam in Thiruvananthapuram District, Kerala State.	Rajiv Gandhi Centre for Bio-technology, Thiruvananthapuram	58.20
7.	Construction of Mega Urban Complex at – Pallur Hills, Kanisi, Berhampur, Dist. – Ganjam, Odisha.	ST & SC Development Department, Odisha	45.00

Major Projects under implementation in India & abroad :

- i) Engineers-3 project (Phase – I), Oman at value of USD 254.99 Million, substantially completed and under handing over.
- ii) Project Management Consultancy for Development of Campus of Central University of Jammu, Jammu at a value of Rs. 1187.91 crores.
- iii) Augmentation of Raw Material Receipt & Handling facilities with new OHP, part-B (Pkg. No. 061) of Bhilai Steel Plant, Bhilai at a value of Rs. 550.82 crores.
- iv) Augmentation of Fuel & Flux crushing facilities (Pkg. no. 064) of Bhilai Steel Plant, Bhilai at a value of Rs. 287.81 crores.



Bhilai Steel Plant Project- Conveyor Gallery Erection over Rail Line

- v) Planning, Designing & Construction & Supervision of Rajiv Gandhi University of Knowledge Technologies, Phase-I at two constituent campuses, Basar & Nuzvid, AP, at a value of Rs. 216.44 crores.
- vi) Construction and Development of New Polytechnic Institutes / Engineering Colleges in the State of Jharkhand, Strengthening of existing Technical Institutes and other Infrastructural Development works at a value of Rs. 210.00 crores.



vii) Construction of Medical College Campus for 100 MBBS Admission Annually and Up-gradation of the Govt. District Hospital, Barmer at a value of Rs. 200.40 crores.



viii) Construction of Bihar Police Academy at Rajgir, Nalanda, Bihar at a value of Rs.181.16 crores.

Exchange of MoUs with French Associates and Technology providers at Chandigarh

ix) Construction of entire campus of National Institute of Pharmaceutical Education & Research (NIPER) at Guwahati at a value of Rs. 161.69 crores.

x) Design, Const., Supply, Installation and Commissioning of 5.00 LLPD Dairy Plant and 30 MTPD Powder Plant at Dehri-on-Sone, Bihar at a value of Rs. 113.48 crores.

xi) Construction of Intake Well, Water Treatment Plant, Distribution Pipe Lines, Overhead Tank & providing Household connections at Singrauli, MP at a value of Rs. 101.84 crores.

xii) Construction of Super Specialty Hospital for Govt. Rajaji Medical College, Madurai Under PMSSY Phase - II at Madurai, Tamil Nadu at a value of Rs. 81.05 crores.

Projects Completed in India

The Company has completed following major projects during the year:

- i) Construction of ESI Hospital and PG College at Maniktala, Kolkata.
- ii) Construction of J. C. Ghosh and P. C. Roy Science Block (G+7) Buildings at IIT Kharagpur, West Bengal.
- iii) Construction of various Accommodations, Officer Club, Family Welfare Centre, Hospitals including Infrastructural Department Works etc. for Assam Rifles Battalion in Arunachal Pradesh, Mizoram & Nagaland States.
- iv) Construction of 5000 MT capacity Food Grain Godown including Ancillary Structures & Site Development works at Karimganj, Assam.
- v) Construction of Multistoried Academic Bldg. for Accommodation of different Department at Tripura University Campus, Suryamani Nagar, Agartala, Tripura.
- vi) Extension of Administrative Building, Health Centre and Boys Hostel at PUC Campus, Aizal, Mizoram.
- vii) Construction of Permanent Non- Residential Building for 29th Battalion at Jabalpur, MP.
- viii) Construction of Central Computer Centre Building at Existing NIT Campus at Raipur, C.G.
- ix) Augmentation of Water Supply Scheme at Yanam, PWD, Govt. of Puducherry, Andhra Pradesh.



5. ORDER BOOK POSITION

At the end of financial year 2015-16, the Company is having work in hand of Rs. 9080 Crores including work valuing Rs.1345 Crores which are held up due to non-availability of funds, work fronts etc. on part of client.

6. PERFORMANCE RATING UNDER MOU

The performance of the Company has been rated “Very Good” by the Department of Public Enterprise (DPE) in terms of MoU signed by the Company with the Government for the year 2014-15.

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

Based on continuing improvement in the performance of the Company on year on year, basis, the Rating Committee of ICRA Limited, has upgraded the long term rating ICRA from A+ to AA- and reaffirmed the 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.

EPIL, observed “Vigilance Awareness Week” with effect from 26.10.2015 to 31.10.2015 in its Corporate/Regional & Site offices as per the direction of CVC with great zeal and on this occasion following programmes were organized for EPIL’s Employees:

- A) A Lecture on “CVC Guidelines on Public Procurement and other Aspects of Preventive Vigilance” was also organized at Corporate Office on 27.10.2015. A large number of EPI’s officials of Corporate Office and Northern Region Office attended the Lecture. Shri Ramesh Chandra, Chief Technical Examiner of Central Vigilance Commission addressed this Lecture and concluded this with an interactive session.
- B) An Essay Competition on “Preventive Vigilance as a Tool of Good Governance”.
- C) A Poster Competition on “Role of Media in Combating Corruption”.



“Integrity Pact” has been implemented and there are two “Independent External Monitors” for which value of the project/s has been reduced from Rs. 100 Crores to Rs. 50 Crores. E-tendering has been recently started in the company. Almost all the finance functions are computerized and various functions like tour programme, salary slip etc. are sent by email for saving paper. Internal online “Complaint System” has been introduced in the company.

Further, a number of new initiatives have been taken along with issuing various instruction for increasing the transparency. Moreover a number of complaints related to various operations of company were investigated and concluded by recommending necessary action/s, wherever required.

10. HUMAN RESOURCE

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

As on 31st March, 2016, Company had a strong force of 397 employees. The Company has 43 women employees and 332 employees are technically and professionally qualified.

11. SC/ST PERSONNEL

The number of SC/ST employees on the rolls of the Company as on 31stMarch 2016 was 81 (including 4 women employees) which constituted 20.40 % of the total strength.

12. PHYSICALLY CHALLENGED PERSON

The number of physically challenged persons as on 31stMarch 2016 was 6 which constituted 1.51% 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

The Company continued to prove its commitment for implementation of Official Language Act, 1963 (as amended, 1967). Usage of Hindi in various works of the Company is emphasized and as per the Official Language Policy, the website of the Company is ready for bilingual format. To promote the importance of Hindi, a quarterly magazine named ‘EPI Samachar’ is published in Hindi language regularly for internal and external circulation. EPI gives cash reward to the employees who write articles/poems etc. in “EPI Samachar”. Children of employees obtaining good score in Hindi language at their school level are rewarded under “Prathiba Puraskar Yojna”.



The Company continued to encourage promotion of usage of “Hindi” and its propagation through various initiatives/steps such as organization of various Hindi Competitions viz. Writing competition, Poem Recitation, Chitra Abhivaykti, Dictation, Noting-Drafting, Hastakashar, Debate, Quiz etc. during “Hindi Divas” / “Hindi Pakhwada Samaroh” in the month of September every year. During the Pakhwada, prizes and awards are distributed to winners. Smriti Puraskaar Yojana in the name of “Swargiye Shankar Dayal Singh Shield” has been introduced to encourage the employees to come forward and participate in various Hindi competitions and Winner receiving the maximum number of prizes shall be entitled to this Puraskaar/Shield/Samman under the scheme. “Hindi Book Fair” is also organized at Corporate Office during the Pakhwada.

As per the direction from Govt. of India, a committee named “Rajbhasha Karayanvyan Samiti” exists in EPI for monitoring and controlling of Rajbhasha Karayanvyan. To generate awareness 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 (Nagad Puraskar Yojna)* is well in place. Contribution of Hindi writing in any form viz. article/ Essay on behalf of EPI to various PSUs is being done on regular basis. Online quarterly progress Report are sent 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. During the year, the company has started conducting special classes for officers/ employees under “Hindi Shikshan Yojna”.

EPI is a member of NARAKAS (Nagar Rajbhasha Karayanvyan Samiti) and nominations are sent on regular basis in the month of October / November every year for participation in various programmes and competitions (In Hindi) organized by NARAKAS. This year, the company received special appreciation for implementation of Rajbhasha by our ministry and as well as Official Language Department, Govt. of India.

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

The Company has constituted a Committee for redressal of Sexual harassment complaints (made by the victim) at workplace and for ensuring time bound treatment of such complaints.



ITBP Project at Jabalpur, M.P.



J.C. Ghosh and P.C. Roy Buildings, IIT Kharagpur, W.B.



15. PUBLIC PROCUREMENT POLICY

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

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

16. AWARDS RECEIVED

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

17. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

18. ECONOMY IN ADMINISTRATIVE EXPENDITURE

Keeping in view the Government Directives, Company achieved economy in administrative expenditure in EPI during the year 2015-16.



Rajiv Gandhi University of Knowledge Technologies Project at Andhra Pradesh



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

There is a change in the position of company's directorships since the date of last annual report. As on 31st March, 2016, the Board of EPI comprises following seven directors:

S. No	Name	With effect from
1.	Shri SPS Bakshi Chairman-cum-Managing Director	05.02.2009
2.	Shri Vinoo Gopal Director (Projects) & additional charge of Director (Finance) w.e.f. 1.12.2015	02.01.2012
3.	Shri R.K.Singh Part-time (Official) Director	30.11.2012
4.	Shri Siya Sharan Part-time (Official) Director	11.01.2016*
5.	Dr. K.S.Rao Part-time (Non-official) Director	04.02.2014
6.	Shri Sushant Baliga Part-time (Non-official) Director	18.11.2015
7.	Smt. Anita Chaudhary Part-time (Non-official) Director	01.12.2015

* Date of allotment of DIN by MCA

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

During the year 2015-16, following changes took place in key Managerial personnel (KMP) :

1. Shri A.V.V. Krishnan (Director Finance) was relieved from the services of the company on 30.11.2015 on resignation.
2. Shri Vinoo Gopal, Director (Projects) was holding additional charge of Director (Finance) w.e.f. 01.12.2015 upto 31.05.2016.

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 31st March, 2016 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, Shri Sushant Baliga, Independent Director, and Smt. Anita Chaudhary, Independent Director, have given a declaration that they meet the criteria of independence provided in section 149 (6) of the Companies Act, 2013.

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. SUBSIDIARY COMPANY

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



Construction of Permanent Non Residential Building for ITBP, Jabalpur, M.P. -Aerial View



24. AUDITORS

a) Statutory and Branch Auditors

The Statutory and Branch Auditors of the Company appointed by Comptroller and Auditor General of India (C&AG) for the year 2015-16 are as under-

S.No	Name of the Firm	Region
1.	M/s. G S A & Associates, New Delhi	Statutory Auditors
Branch Auditors :		
1.	M/s. Aiyar & Co., New Delhi	Northern Region Branch Auditors
2.	M/s. De Chakraborty & Sen, Kolkata	Eastern Region Branch Auditors
3.	M/s. A B M & 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

a) Secretarial Auditor

The Company has appointed M/s. Vishal Agarwal & Associates as Secretarial Auditor for the Year 2015-16 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.

b) Cost Auditor

The Company has appointed M/s. A G Agarwal & Associates as Cost Auditor for the financial year 2015-16 in compliance with the provisions of Section 148 of the Companies Act, 2013.

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

STATUTORY AUDIT REPORT

The Statutory Audit Report for the year 2015-16 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 2015-16 and reply to comments, if any, is annexed to this report.

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

During the year 2015-16, no loan, guarantee or investment under section 186 of the Companies Act, 2013 have been made.



27. DISCLOSURE OF PARTICULARS

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

27.01 Energy Efficiency and its Conservation –

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

10KW of Solar Power Plant has been installed & commissioned at roof top of EPI, Core-3. Capital Investment of Rs. 9.00 lakh has been done. Order was placed on REIL, Jaipur.

EPI has been consistently laying emphasis on utilizing energy efficient equipment in its office premises and in various projects entrusted to it for execution so as to minimally affect on the ecology and environment such as using CFL/T5/LED fixtures in various projects/offices, use of star rated appliance like air Conditioner, geyser in Projects/ Offices, use of Renewable energy such as Solar/wind Energy in its projects at Bihar Police Academy project & Border Outpost projects.

27.02 Technology Absorption

a) Research and Development

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

b) Technology Absorption

Your Company is making continuous efforts to constantly upgrade technology and Construction techniques and to look in to the aspects of appropriate designing and value engineering. The range of latest technologies from leading companies of global repute, which is available with the organisation for utilization in industrial projects include Acid Concentration Plants, Chemical Process Plants, Specialized Ore beneficiation facilities for extraction of rare earths etc. Experts of the Company are sponsored for training for various programmes and seminars for development of technical know how.

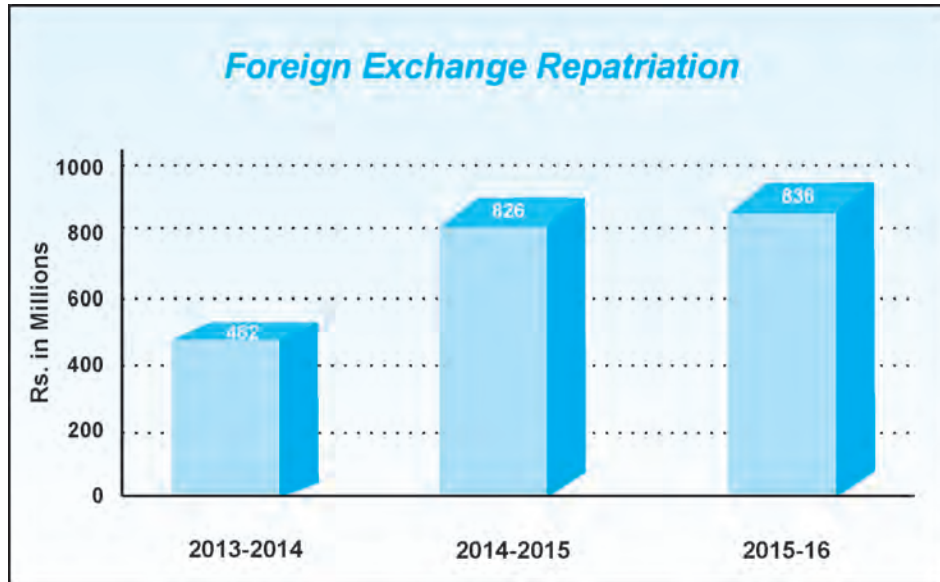
c) Information Technology and Enterprise Resource Planning (ERP)

New as well as updated design software are used for in-house engineering activities. SAP-ERP solution is implemented for the functions related to HR, Payroll & Financial Accounting and Document Management Solution as an attempt to integrate operations across the organization. Implementation of e-procurement system has also been completed. Video Conferencing solution is implemented at CO, Regional offices and sites, which has improved the productivity of the organization and reduced travel expenditure. Information about EPI are available in Public portal www.engineeringprojects.com



27.03 Foreign exchange earnings and outgo

During the year 2015-16, the Company earned a foreign exchange of Rs. 49,929 Lakhs against Rs. 59,315 lakhs in the previous year. The expenditure incurred in Foreign Exchange is Rs. 43,728 Lakhs in 2015-16 against Rs.51,444 lakhs in 2014-15.



28. QUALITY, HEALTH AND SAFETY MANAGEMENT

Engineering Projects (India) Ltd. is one of the first few Indian Contracting Companies which have been certified to ISO 9001:2008 and ISO 14001:2004 + AC:2009, thus covering Quality and Environmental Management Systems (QEMS). The scope of certification includes Design, Procurement and Implementation of Multi-disciplinary Infrastructure, Industrial and other Construction Projects from concept to Commissioning.

Company has also been certified for Occupational Health & safety Assessment Series (OHSAS) 18001:2007 i.e. Occupational Health & Safety Management System (OHSMS) in respect of Corporate Office.

We have also initiated action for obtaining ISO 9001 :2015 and ISO 14001:2015 for the Company.

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

During the year, no employee was in receipt of remuneration in excess of limits prescribed under Section 197 of the Companies Act, 2013 and rules made thereunder. However the same is exempted for Government Companies vide MCA notification dated 05th June 2015.

30. CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY

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



31. INTERNAL FINANCIAL CONTROL

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

32. CEO/CFO CERTIFICATION

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

33. DEPOSITS

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

34. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

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

36. EXTRACTS OF ANNUAL RETURN

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



ESIC Hospital Project, Maniktala, Kolkata



37. ACKNOWLEDGEMENT

Your Directors express their gratitude for continued co-operation, support and guidance in effective management of company's affairs and resources provided by Government of India, in particular 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 also acknowledge the support and guidance received from Government Auditors, Statutory Auditors, Secretarial Auditors, and Cost Auditors for their suggestions. Your Directors place on record 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 wish to place on record their deep appreciation for the dedication and commitment of the employees at all levels for registering an improved performance results in all areas of operations.

For and on behalf of the Board

Sd/-

(S P S Bakshi)

Chairman-cum-Managing Director

DIN: 02548430

Place: New Delhi

Dated: 05th September 2016



Border Out Post (BOP) at Merupara, Tripura



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The present economic structure of Indian economy is known as mixed economy, where there is a co-existence of both the public sector and the private sector. In India, only those industries were reserved for the public sector which were essential for speedy development of the economy and where private sector were reluctant to invest either due to low rate of return or heavy risk involved in it. In India, the area of activities of the public sector were very much restricted to a limited range like power, irrigation, roads, railways, port, communications etc.

India brand equity foundation (IBEF) states that According to Department of Industrial Policy and Promotion (DIPP), FDI in India witnessed an increase of 29 per cent and reached US\$ 40 billion during April 2015-March, 2016 as compared to US\$ 30.93 billion in the same period last year. India has also overtaken China as world's top foreign direct investment (FDI) destination with US\$ 63 billion of FDI announced in 2015 including high-value project announcements across the coal, oil and natural gas, and renewable energy sectors.

The total FDI investments India received in FY 2015-16 (April 2015-March 2016) amounting US\$ 40 billion, is indicator of government's effort to improve ease of doing business and relaxation in FDI norms is yielding results. The permitted sectors are agriculture & animal husbandry, Mining & petroleum and natural gas, broadcasting & carriage services, Airport (Green field Projects & existing Projects), Airport transport services, Construction-development projects (which would include development of townships, construction of residential/commercial premises, roads or bridges, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure, townships); Industrial parks etc.

Government Initiatives

Department of Economic Affairs, Ministry of Finance outlined Government of India's plans to liberalise FDI rules by putting more sectors under the automatic route, which will fast track FIPB process thereby making India an attractive investment destination. The Government of India has amended the FDI policy regarding Construction Development Sector. The amended policy includes easing of area restriction norms, reduction of minimum capitalisation and easy exit from project. Further, in order to provide boost to low cost affordable housing, it has indicated that conditions of area restriction and minimum capitalisation will not apply to cases committing 30 per cent of the project cost towards affordable housing.

The Government of India has recently relaxed FDI policy in 15 sectors, such as raising the foreign investment limit for some sectors, easing the conditions for others and putting many on the automatic route for approval. The sectors that benefited from the relaxation include defence, real estate, private banking, defence, civil aviation, single brand retail and news broadcasting. The new rules provide for easier exit from investment in the construction sector while foreign investment limit in defence and airlines was allowed up to 49 per cent through the automatic route.



India's cabinet cleared a proposal which allows 100 per cent FDI in railway infrastructure, excluding operations. It allows them to invest in areas such as creating the network and supplying trains for bullet trains. The Government of India plans to further simplify rules for Foreign Direct Investment (FDI) such as increasing FDI investment limits in sectors and include more sectors in the automatic approval route, to attract more investments in the country.

Government of India has planned various following initiatives:

1. Development of Smart Cities:

The government allocated about Rs 7,296 crore for two central schemes — Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and 'Smart Cities' Mission. The general budget 2016-17 earmarked an amount of Rs 3,205 cr for the development of 100 Smart Cities across the country by 2020, while nearly Rs 4,091 cr for AMRUT. Under the smart cities projects, names of the first 20 cities, including Bhubaneswar, Pune, Ahmedabad, Chennai and Bhopal, were announced.

Urban Development Ministry in June last year released the guidelines and mission statement for the project to develop 100 such cities. The focus of the mission, a flagship programme of the Modi government, includes provision of clean water, setting up of sanitation and solid waste management systems, efficient mobility and public transportation and affordable housing.

The next 40 cities would be announced in the second phase and the rest in the third phase.

2. Development of Infrastructure Works:

Total capital expenditure outlay for infrastructure during fiscal 2016-17 will be Rs. 221,246 crore, for creating and upgrading infrastructure towards construction of new roads and upgrading state highways to national ones. The total capex outlay for roads and railways in 2016-17 will be "a mammoth Rs.218,000 crore" & Expecting to approve nearly 10,000 km of national highways in 2016-17 which will be much higher than the two previous years,"

The government plans to develop road projects spanning 50,000 km and entailing investments of about \$250 billion over the next five to six years, The government has put infrastructure development at the top of its agenda. The total investment in the road sector including the rural Pradhan Mantri Gram Sadak Yojana allocation would be Rs.97,000 crore, expecting a target of awarding 10,000 km of projects this year by NHAI.

3. Developments of airports & air strips:

To boost air connectivity, the government is preparing an action plan to revive 160 airports and airstrips, each of would cost about Rs 50-100 crore. The government is drawing up an action plan for revival of unserved and underserved airports. There are about 160 airports and air strips with state governments which can be revived at an indicative cost of Rs 50 crore to Rs 100 crore each.

"Govt. will partner with the state governments to develop some of these airports for regional connectivity. Similarly, 10 of the 25 non-functional air strips with the Airports Authority of India will also be developed."



4. Development of Major and Non Major Ports in India:

India has 13 major ports and about 200 non-major ports. Cargo traffic, which was 976 million metric tonnes (MMT) in 2012 is expected to reach 1,758 MMT by 2017.

The Government of India is planning to convert around 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. The government has allocated Rs 800 crore for development of new ports and ongoing work on its National Waterways project.

The cargo traffic of Indian ports increased by 8.2 per cent to 1052.2 million tons in 2014-15, with traffic at non-major ports increasing at a faster rate than at major ports, according to data on the Economic Survey 2015-16. During April to September 2015, while cargo traffic at all ports increased by 1.1%, major ports reported an increase of 4.1% and non-major ports a decline of 1% as compared to the corresponding period in 2014-15.

5. Development of Delhi-Mumbai Industrial Corridor (DMIC):

The government has earmarked Rs 1,400 crore for the development of the Delhi-Mumbai Industrial Corridor (DMIC) in the Budget 2016. However, in the case of Amritsar-Kolkata Industrial Corridor (AKIC) project, a token amount of Rs 3 crore has been set aside by Hon'ble Finance Minister.

The DMIC project has been planned as a global manufacturing and investment destination around the high speed 1,483 km length of western dedicated freight corridor of the railways as the backbone.

The project has envisaged to provide a modern infrastructure through smart futuristic and sustainable industrial cities across six states including Haryana, Uttar Pradesh and Rajasthan. Similarly, the AKIC has been proposed to give a boost to industrial development in the densely populated states of northern and eastern India.

6. Emphasis on Renewal Energy:

Govt. has allocated Rs 5036 crore for the renewable energy sector in Budget 2016 and Budget had revised the target of renewable energy capacity to 1,75,000 MW till 2022, comprising 1,00,000 MW solar, 60,000 MW wind, 10,000 MW biomass and 5,000 MW small hydro. As on December 31,2015, cumulative capacity of about 38,820 MW off grid-interactive renewable energy capacity has been installed in the country which includes 25,088 MW from wind power, 4,878 MW from solar power, 4,177 MW from small hydro power and 4,677 MW from bio-power.

7. Namami Gange Programme:

The Union Cabinet approved the flagship programme which integrates the efforts to clean and protect the Ganga river in a comprehensive manner. "The programme has a budget outlay of Rs. 20,000 crore for the next five years". It marks "a significant increase over the expenditure in the past 30 years". In order to push the efforts for the Ganga's clean-up the Centre may take over 100 per cent funding of various activities/projects under this programme. The programme would



be implemented by the National Mission for Clean Ganga (NMCG), and its state counterpart organisations, that is, the State Programme Management Groups (SPMGs) involving Urban Local Bodies, Panchayati Raj institutions etc for its implementation.

The Centre now plans to provide for operation and maintenance of the assets for at least a 10-year period and adopt a PPP/SPV approach for pollution hotspots. Major infrastructure investments, which fall under the original mandate of other ministries, like Urban Development, Drinking Water and Sanitation, Environment Forests and Climate Change (EF&CC), will also additionally be undertaken.

Namami Gange will focus on pollution abatement interventions, namely interception and diversion and treatment of waste water flowing through open drains via bio-remediation/ appropriate in-situ treatment/use of innovative technologies/sewage treatment plants (STPs)/effluent treatment plant (ETPs). It also aims at rehabilitation and augmentation of existing STPs and immediate short-term measures for arresting pollution at exit points on river front to prevent inflow of sewage.

SWOT Analysis

Strengths & Weakness

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

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

Opportunities & Threats

Opportunities in smart city projects, steel & power plant projects, multidisciplinary projects across all infrastructure sub-sectors, eased FDI norms for the infrastructure & other sectors. Technological tie ups with Indian & overseas companies for securing mega projects. Further, newer means of project financing and execution on SPV or BOT/BOLT/BOOT basis. Enhancing business prospects of the company keeping in view the vision of Hon'ble Prime Minister of India for emphasis on MAKE IN INDIA initiative.

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

SEGMENT WISE AND PRODUCT WISE PERFORMANCE

Industrial, Process Plant, Material Handling, Electrical and Border Management Projects segment is the highest contributor to the turnover of the Company, followed by Housing & Building works including Hospital Projects segment. The percentage share of this segment has increased from 33.27% in year 2014-15 to 35.67% in the year 2015-16.



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

(Rs. in Crores)

Sl.No	Segments of Projects	2013-14		2014-15		2015-16	
		Turnover	%	Turnover	%	Turnover	%
1	Housing & Building Works including Hospital Projects	224.78	26.29	343.12	33.27	462.13	35.67
2	Dams & Irrigation Projects	5.74	0.67	5.42	0.53	0.46	0.04
3	Industrial, Process Plant, Material Handling, Electrical and Border Management Projects	582.83	68.15	581.42	56.38	741.01	57.20
4	Water Supply & Environmental Schemes	9.57	1.12	44.70	4.33	37.70	2.91
5	Transportation Structures	3.02	0.35	13.16	1.28	11.58	0.89
6	Other Projects	29.22	3.42	43.46	4.21	42.58	3.29
	Total	855.16	100.00	1031.28	100.00	1295.46	100.00

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO THE OPERATIONAL PERFORMANCE

During the year 2015-16, the Company achieved operating turnover of Rs. 1,29,546 Lakhs as against the previous year turnover of Rs. 1,03,128 Lakhs and earned Profit Before Tax (PBT) of Rs. 3,819 Lakhs as against previous year's PBT of Rs. 4,121 Lakhs. The Gross Margin of the year was Rs.4,514 Lakhs as compared to Rs. 4,926 Lakhs in the previous year.

The net worth of the Company has increased by Rs. 1,153 Lakhs from Rs. 21,631 Lakhs in the year 2014-15 to Rs. 22,784 Lakhs in the year 2015-16.

The Board has proposed a dividend of Rs. 1,082 Lakhs, which is 5% of the net worth of FY 2014-15



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

The Company has been focusing on hiring specific specialized skills for execution of ongoing projects as well as new projects in diversified fields in India and Foreign Countries. A majority of employees recruited during 2013-14 & 2015-16 have been posted at different execution sites.

In scenario of Industrial relations remain harmonies, cooperative and peaceful during the year. The views of employees are taken into consideration while finalizing the various policies of the Company.

ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, FOREIGN EXCHANGE CONSERVATION

a) Environmental Protection & Conservation

The Company is fully concerned regarding its responsibility for Environmental Protection and its Conservation. Ecology conservation is crucial in today's era. It is imperative that the development process in a community is compatible with its environment as well as with the particular culture of that community. The Company is socially responsible organization and has been addressing the environmental concerns through its Environmental Management System under ISO Policy and Procedures Manual and has been certified to ISO 14001:2004 + AC :2009, covering Environmental Management Systems (EMS).

Extensive environment friendly and energy saving measures like compulsory use of flyash bricks and Portland pozzolana cement, tree plantation, wheel washing facility, water harvesting, renewable energy like solar and wind energy, light sensor, dimmable light etc. are being used by the Company. The Company has adopted Green Rating for Integrated Habitat Assessment (GRIHA) norms in execution of Projects, which resulted conservation of environment as well as savings in energy. The Company also follows various environmental measures such as control of noise, control of leakage of Oil, control of wastage of water, control of smoking etc. and has planted 7711 trees in all its regions. Environmental friendly equipments such as solar lights are also being installed at Corporate Office/various project sites.

b) Technological Conservation

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



Launching of Namami Gange Project by Shri Anant G Geete Hon'ble Minister of Heavy Industries & Public Enterprises at Kolkata



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.



***Inauguration of Balliwala flyover at Dehradun
by Shri Harish Rawat, Hon'ble Chief Minister of Uttarakhand***



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).

As on 31.03.2016, Seven directors were in position viz. Chairman-cum-Managing Director, Director (Projects) (who also held additional charge of Director (Finance)), two Part time Official Directors [Government nominees], and three Part Time (Non- Official) Director[Independent Director] including one Women Director. 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 2015-16 are given below:

Name of Directors	Category	Board Meeting Attended	Attendance at the last AGM	No. of Directorships Other Public Companies (excluding EPI)	Tenure
(a) Whole Time/Functional Directors					
Shri SPS Bakshi DIN: 02548430	Chairman-cum- Managing Director	8/8	Yes	Nil	w.e.f 05.02.2009
Shri Vinoo Gopal DIN: 05173442	Director(Projects) & additional charge of Director(Finance) #	8/8	Yes	Nil	w.e.f 02.01.2012



Shri A.V.V Krishnan DIN: 06404202	Director(Finance)	5/5	Yes	Nil	w.e.f 10.10.2013 Till 30.11.2015
(b) Govt. Nominees/Part-Time Official Directors					
Shri R.K. Singh Joint Secretary, Ministry Of Heavy Industries & Public Enterprises DIN: 06459343	Director	8/8	Yes	4 (SIL,AYCL, TWOCL, BHEL)*	w.e.f 30.11.2012
Shri S.S.Dubey Chief Controller of Accounts (CCA), Ministry of Heavy Industries & Public Enterprises DIN: 06601151	Director	2/5	No	1 (HMTL)*	w.e.f 08.05.2013 Till 30.11.2015
Shri Siya Sharan Chief Controller of Accounts (CCA), Ministry of Heavy Industries & Public Enterprises DIN: 07401363	Director	2/2	NA	1 (HEC)*	w.e.f 11.01.2016
(c) Independent Director/Part Time (Non-Official) Director					
Dr. K.S.Rao Professor, Department Of Commerce and Management Studies, Andhra University, Visakhapatnam DIN: 03383447	Director	8/8	Yes	Nil	w.e.f 04.02.2014 (earlier from 16.12.2010 To 15.12.2013)
Shri Sushant Baliga Faculty of Mgt. Sciences,University of Delhi DIN: 06462815	Director	3/3	NA	Nil	w.e.f 18.11.2015



Smt. Anita Chaudhary IAS, Retired Secretary of Department of Land Resources, Govt. of India DIN: 07328842	Director	3/3	NA	1 (NPCIL)*	w.e.f 01.12.2015
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Refer Note No. 2.

***Abbreviations used:** SIL- Scooter India Ltd.; AYCL- Andrew Yule co. Ltd.; TWOCL- Tide Water Oil Co. India Ltd.; BHEL-Bharat Heavy Electricals Ltd.; HMTL- HMT Machine Tools Ltd.; HEC- Heavy Engineering Corporation Ltd.; NPCIL: Nuclear Power Corporation of India Ltd.

Notes:

Following changes took place in the Directorship during the year 2015-16, and thereafter till the date of this report:

1. The tenure of Shri S P S Bakshi, CMD, EPI has been extended vide order no 16/1/2008-TSW (Vol.III) dated 20.05.2016 till 30.09.2018 (the date of superannuation) or until further orders, whichever is earlier.
2. Shri Vinoo Gopal has been given the additional charge of Director (Finance) vide order no. 16(14)/2013-TSW dated 4th December 2015 and order no. 16(14)/2013-TSW dated 2nd February 2016 for a period of 6 Months w.e.f. 01.12.2015 to 31.05.2016 or till the appointment of regular incumbent to the post, or until further orders, whichever is the earliest. Further orders from DHI are awaited.
3. Shri Sushant Baliga has been appointed as Part Time Non-Official Director vide order no. 16(2)/2015-TSW dated 18.11.2015 for a period of three years from the date of notification of his appointment or until further orders, whichever is earlier from Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises.
4. Smt. Anita Chaudhary has been appointed as Part Time Non-Official Director vide order no. 16(2)/2015-TSW dated 01.12.2015 for a period of three years from the date of notification of her appointment or until further orders, whichever is earlier from Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises.
5. Shri Siya Sharan has been appointed as Part Time Non-Official Director vide order no. 16(7)/2015-TSW dated 17.12.2015. In terms of section 153(3) & 154 of the Companies Act, 2013, his effective date of appointment as Director has been considered as 11.01.2016 i.e. date of allotment of DIN by MCA.
6. Shri A.V.V. Krishnan relinquished from the post of Director (Finance) w.e.f. 30.11.2015 (A/N) consequent upon acceptance of his resignation by Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises vide order no. 16(14)/2013-TSW dated 30th November 2015.



7. Shri S.S. Dubey relinquished from the Directorship of EPI w.e.f. 30.11.2015 (A/N) consequent upon relinquishing the charge of Chief controller of Accounts (CCA), DHI on his transfer to Ministry of Urban Development.

(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 2015-16, 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.	10.06.2015	6	6
2.	21.07.2015	6	6
3.	21.08.2015	6	5
4.	29.09.2015	6	5
5.	26.11.2015	6	5
6.	02.01.2016	6	6
7.	15.01.2016	7	7
8.	01.02.2016	7	7

(E) Meeting of Independent Directors

During the financial year 2015-16, Company's Independent Directors met on 2nd March 2016 at Chennai (without the attendance of functional Directors, government Directors or members of the management) in compliance to Schedule IV of Companies Act, 2013- Code for Independent Directors.



(F) Brief Resume of the Directors, presently on the Board including those who joined the Board 2015-2016.

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

Shri S.P.S. 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 S.P.S. 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 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.

(IV) Shri Siya Sharan, Govt. Nominee Director

Shri Siya Sharan has been appointed as Part-time official Director of EPI as nominee of Govt. of India with effect from 11.1.2016 (Pursuant to DHI order dated 17.12.2015 and approval of DIN by MCA). Shri Siya Sharan is an ICAS Officer of 1993 batch. He is M.A. in Sociology from JawaharLal Nehru University and qualified Jr. Research Fellowship of UGC in Sociology. He has a rich and varied experience in the field of Finance, Budget & Accounts, Payments, and Treasury Functions in various Ministries including Ministry of Steel & Mines, Ministry of Agriculture, CBDT & CBEC.



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

(V) **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.

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

Shri Sushant Baliga joined EPI as an Independent Director with effect from 18.11.2015. Shri Baliga is a B.Tech from IIT Madras (1972), M.Tech from IIT Delhi (1975), MBA from faculty of Management Science, University of Delhi (2006). He holds certificate on Earthquake Engineering from International Institute of Earthquake Engineering and Seismology from University of Tsukuba, Japan (1980). After graduation, he was employed with Rodio-Hazarat (now Afcons) for a year on construction of Marmugoa Barge Berths, Goa. He joined Central PWD through Engineering Services Examination (1974) as Assistant Executive Engineer Class I. During his service, he has worked in various capacities ranging from Design Offices to Zonal Head (Chief Engineer in charge of Bihar, Jharkhand and Orissa) executing projects to the tune of Rs 1000 Cr. per annum. During this period of service, he was also deployed on deputation to various organisations i.e. National Buildings Construction Corporation Ltd., as Executive Director looking after, Business Development; Domestic and International, Corporate Planning, Consultancy, Designs and Project Monitoring at Corporate Level in addition to looking after projects in the South Zone; Employees State Insurance Corporation as Chief Engineer; National Rural Roads Development Agency as Director was responsible for various World Bank and ADB funded projects. He retired from Government of India in May 2011 after serving as Additional Director General, Central PWD.

Post retirement, he has been engaged in various advisory capacities for Indian Institute of Technology Patna; Indian Institute of Technology Ropar; Indian Institute of Science Education and Research, Pune; All India Council of Technical Education; FICCI; National Buildings Construction Corporation Ltd.; National Thermal Power Corporation Ltd.; The World Bank etc. and has held the



position of Independent Director on the Board of Bridge and Roof (India) Ltd. He is also a Life Member of the Indian Roads Congress and the Indian Council of Arbitration.

(VII) Smt. Anita Chaudhary, Independent Director

Smt. Anita Chaudhary, IAS ('76 Hy), retired as Secretary to Government of India, Department of Land Resources. She is a Post graduate in English Literature, from Fergusson College, Pune and a Masters in Soc. Sc. from University of Birmingham, UK. Presently she is doing her P.hD from IGNOU, on RTI and PDS. She has undergone important training programmes within the country and abroad. The important ones being in Agriculture marketing in Korea and Finance and Public Policy at Harvard.

During her carrier of 37 years in the IAS, she has held important posts in State and Central governments in the fields of finance, home, Industry, urban development, rural development, food and textiles. She has been MD of the Central Cottage Industries Corporation of the Govt of India. Presently she is member of the Task Force for signing MOUs with CPSUs.

(G) Appointment of Directors

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

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

Further, part-time official directors are appointed by Government and hold office by virtue of their office in administrative ministry and independent directors are appointed for a fixed tenure, due to which there is no scope for actually retiring any director by rotation every year and hence, it is not possible to give effect to section 152 of the Companies Act, 2013.

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 15.01.2016 with the following members:

- | | | | |
|----|--|---|----------|
| 1. | Dr. K.S.Rao, Independent Director | - | Chairman |
| 2. | Shri Vinoo Gopal, Director (Projects) | - | Member |
| 3. | Shri Siya Sharan, Govt. Nominee | - | Member |
| 4. | Shri Sushant Baliga , Independent Director | - | Member |
| 5. | Smt. Anita Chaudhary, Independent Director | - | Member |



During 2015-16, the Committee had five meetings on 21.07.2015, 21.08.2015, 29.09.2015, 26.11.2015 and 01.02.2016.

The attendance details are as under-

Member	No. of Meetings held during their respective tenure	No. of Meetings attended
Dr. K.S Rao, Independent Director-Chairman	5	5
Shri Vinoo Gopal, Director (Projects)-Member	5	5
Shri Siya Sharan, Part-time Official Director-Member [@]	1	1
Shri Sushant Baliga, Part-time Non Official Director-Member [@]	1	1
Smt. Anita Chaudhary, Part-time Non Official Director- Member [@]	1	1
Shri R.K. Singh, Part-time Official Director-Member [*]	4	4
Shri S.S.Dubey, Part-time Official Director-Member [#]	4	1

*Member upto 14.01.2016 # Member upto 30.11.2015 (Relinquishment) @Member from 15.01.2016

Terms of Reference of Audit Committee

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

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



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



21. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
22. To review the functioning of the Whistle Blower/Vigil mechanism.
23. To review the follow up action on the audit observations of the C&AG Audit.
24. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
25. Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors
26. Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
27. Consider and review the following with the independent auditor and the management:
 - a. The adequacy of internal controls including computerized information system controls and security, and
 - b. Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
28. Consider and review the following with the management, internal auditor and the independent auditor:
 - a. Significant findings during the year, including the status of previous audit recommendations
 - b. Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information,
29. The Audit Committee shall also have powers:
 - a. To investigate any activity within its terms of reference.
 - b. To seek information on and from any employee.
 - c. To obtain outside legal or other professional advice, subject to the approval of the Board of Directors.
 - d. To secure attendance of outsiders with relevant expertise, if it considers necessary.
 - e. To protect whistle blowers.
30. The Audit Committee shall review the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of related party transactions submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;



- d. Internal audit reports relating to internal control weaknesses;
- e. The appointment and removal of the Chief Internal Auditor shall be placed before the Audit Committee; and
- f. Certification/declaration of financial statements by the Chief Executive/ Chief Financial Officer

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

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 02.01.2016) 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.

Presently, Committee has the following members:

- 1. Dr. K.S. Rao, Independent Director - Chairman
- 2. Shri Sushant Baliga, Independent Director - Member
- 3. Shri Vinoo Gopal, Director (Projects), - Member

During 2015-16, the Committee had three meetings on 21.08.2015, 29.09.2015 and 26.11.2015.

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	3	3
Shri Vinoo Gopal, Director (Projects)-Member	3	3
Shri Sushant Baliga, Independent Director- Member #	0	0
Shri A.V.V. Krishnan, Director (Finance)-Member *	3	3

Member w.e.f. 02.01.2016

* Member upto 30.11.2015 (Resignation)

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

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

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

The Committee has been reconstituted on 15.01.2016 with following members:

1. Smt. Anita Chaudhary, Independent Director - Chairman
2. Dr. K.S. Rao, Independent Director - Member
3. Shri R.K.Singh, Part time Official Director - Member
4. Shri Siya Sharan, Part time Official Director - Member

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

During 2015-16, the Committee had one meeting on 21.08.2015.

The attendance details are as under-

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

* Chairman w.e.f. 15.01.2016 # Chairman upto 15.01.2016 @ Member upto 30.11.2015 (Relinquishment)

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. MCS Share Transfer Agent Limited is the Registrar and Share Transfer Agent to register the share transfer and to coordinate with the depositories etc.



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

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

The shareholding pattern of the Company as on 31st March 2016 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 certificate course/program on "Risk –Based Internal Audit" organized jointly by SCOPE and Directorate of Advanced Studies of the Institute of Cost Accountants of India (ICAI). The program was designed to provide an understanding of the Risk Based Internal Audit approach for the internal auditors and provide them hands-on training in practicing this internal audit approach.

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. SUBSIDIARY COMPANY

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



7. DISCLOSURES

i) Details of the remuneration paid to the functional Directors and sitting fees paid to Independent Directors during the year 2015-16 are as under:

A: Functional/Whole-time Directors:

(In Rs)

Name of Directors	Salary	Benefits	Performance Linked Incentives [#]	Total
Shri. S. P. S. Bakshi Chairman-cum-Managing Director	26,26,515	12,94,443	19,54,370	58,75,328
Shri. Vinoo Gopal, Director (Projects)	23,45,025	10,02,914	3,00,591	36,48,530
Shri. A.V.V. Krishnan Director (Finance) (upto Nov. 2015)	16,09,676	7,69,960	87,941	24,67,577

includes PRP for previous years.

B: Independent Director:

(In. Rs)

Name of Director	Sitting Fees		Total
	Board Meeting	Committee Meeting	
Dr. K.S.Rao	85,000	70,000	1,55,000
Shri Sushant Baliga	35,000	10,000	45,000
Smt. Anita Chaudhary	35,000	10,000	45,000

W.e.f. 01.02.2016, sitting fees to be paid to Independent Directors for attending the meetings have been revised from Rs. 10,000/- per Board Meeting and Rs. 7,500/- per Board Level Committee Meeting to Rs. 15000/- per Board Meeting and Rs. 10,000/- per Board Level Committee Meeting.

- ii) All the directors are appointed by the Government of India in fixed pay scales. Accordingly, CMD is appointed in the revised schedule "B" scale of pay of Rs. 75,000- 90,000 (IDA) and all other whole time director are appointed in the revised schedule "B" scale of pay of Rs, 65,000- 75,000/ - (IDA). Their other terms and conditions of appointment are also fixed by the Government of India Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry.
- iii) Apart from the remuneration to directors as per the terms and conditions of their appointment and entitled sitting fee to part-time (non-official) directors, none of the directors has any material or pecuniary relationship with the Company which can affect their independence of judgment.
- iv) During the year, there were no materially significant related party transactions that might have potential conflict with the interest of the Company at large. Details of the Related Party Transaction as per Accounting Standard 18 form part of the Notes to the Accounts.



- v) The Statutory Compliance Report received from various departments together with the status of the statutory dues is placed before the Board 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.
- 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 2.69% in 2015-16 as compared to 2.32% in 2014-15. Financial expenses as a percentage of total expenses has been 0.45% in 2015-16 as compared to 0.69% in 2014-15. The increase in administrative expenses is due to Provision for Doubtful Debts/ Loans and Advances in compliance with Accounting Policy No. 10.
- xii) A certificate by chief executive officer/chief financial officer of the Company with respect to the financial statements of the company is placed as AnnexureB1.
- xiii) Website of the company (www.engineeringprojects.com) displays the official news release of the company like Annual Report, tenders, and career opportunities etc.

8. 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)
45 th	2014-15	September 29 th , 2015 at 3:00 p.m.	Core-3, SCOPE Complex, (4 th Floor), 7 Lodhi Road, New Delhi-110003
44 th	2013-14	September 29 th , 2014 at 3:00 p.m.	Core-3, SCOPE Complex, (4 th Floor), 7 Lodhi Road, New Delhi-110003
43 rd	2012-13	September 30 th , 2013 at 3.00 p.m.	Core-3, SCOPE Complex, (4 th Floor), 7 Lodhi Road, New Delhi-110003

Notice of 46th Annual General Meeting for the financial year 2015-16 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
45 th	2014-15	NIL
44 th	2013-14	NIL
43 rd	2012-13	NIL

9. 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 46 applications/ requests received during the year under report.

10. 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.

11. 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.

12. TRAINING OF BOARD OF DIRECTORS

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

13. WHISTLE BLOWER POLICY

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



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

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

14. CODE OF CONDUCT

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

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

15. 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**.



Academic Building, Tripura University



Annexure B1

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

We have reviewed the financial statements and the cash flow statement of Engineering Projects (India) Limited for the year ended 31st March, 2016 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 2015-16 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 2015-16;
 - b) Significant changes in accounting policies during the year 2015-16 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/-
(Vinoob Gopal)
Director (Projects)

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

Place: New Delhi
Date: 05th September 2016



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 2015-16.

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 2015-16.

Sd/-

(SPS Bakshi)

Chairman-cum-Managing Director

DIN: 02548430

Place: New Delhi

Date: 05th September 2016



***Foundation Laying Ceremony at ALIMCO Project, Ujjain, Madhya Pradesh
by Shri Thawar Chand Gehlot, Hon'ble Minister for Social Justice and Empowerment***



CORPORATE GOVERNANCE CERTIFICATE

To

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

We have examined the compliance of the conditions of Corporate Governance by Engineering Projects India Limited, (hereinafter referred as 'the Company') for the year ended on 31st March, 2016 as stipulated in 'Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010' vide Notification No. 1 No. 18(8)/2005-GM originally issued on 22.06.2007 and revised guidelines issued vide office memorandum time to time by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India and annexure mentioned there under (hereinafter referred as 'Guidelines').

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

In our opinion and to the best of our knowledge and according to the explanations and information given and documents shown to us, we hereby certify that the Company has complied with the conditions of corporate governance as stipulated in the abovementioned Guidelines. Since the appointment of Independent Directors is done by the Government, the filling of vacancy of independent Directors has been done during the year.

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: 19/08/2016



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 2015-16

The following CSR and Sustainability activities were approved for the year 2015-16:-

- i. Maintenance of 10 no. of toilets constructed under Swachh Vidyalaya Campaign in the state of Assam (6 nos.) and West Bengal(4 nos.) for a period of one year
- ii. RO Plant of capacity 1000 Liters/ hours was erected and commissioned at Veddemkunta village, Andhra Pradesh.
- iii. Work order for supply, installation and testing of RO System of 1000 LPH capacity and 15 Nos. of Solar street Lights with all accessories at Pilibhit District of Uttar Pradesh was placed during the year.
- iv. 1000 fruits bearing trees have been planted at 29th Battalion, Indo Tibetan, Border Police (ITBP), Jabalpur project.

In addition, activities that were awarded in 2014-15 were also completed/paid in 2015-16 as detailed in 5(c).

PLAN FOR 2016-17

Budget

2% of the average net profit for the immediately preceding three financial years (i.e. Rs. 1125.59 Lakhs [2013-14], Rs. (736.73) Lakhs [2014-15], and Rs. 105.77Lakhs [2015-16] excluding profits from foreign branches) works out to Rs.3.3 Lakhs. The company has allocated Rs.10 Lakhsfor Corporate Social Responsibility and Sustainability activities for 2016-17 (including utilizable balance of Rs.2.92 lakhs carried forward from 2015-16).

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



THE ANNUAL REPORT ON CSR ACTIVITIES

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

CSR 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.

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 <http://www.engineeringprojects.com>

2. The Composition of the CSR Committee:

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

Role of Board Level Committee is to-

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

The composition of Corporate Social Responsibility and Sustainability Committee as on 31st March 2016 was-

- | | | |
|----|---|------------|
| 1. | Dr. K. S. Rao, Independent Director | - Chairman |
| 2. | Shri Vinoo Gopal, Director (Projects) | - Member |
| 3. | Shri Sushant Baliga, Independent Director | - 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 Nodal Officer along with team of officials.

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

The Average net profit of the company for last three financial years was Rs.736.97 Lakhs (i.e. average of 1822.05 Lakhs for 2012-13, Rs.1125.58 Lakhs for 2013-14 and Rs. (736.73) Lakhs for 2014-15 excluding profits from foreign branches)



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

Prescribed CSR Expenditure for the year 2015-16 was Rs. 14.74 Lakhs (2% of Rs. 736.97 Lakhs).

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year 2015-16-

Total budget of Rs. 16.24 Lakhs was available for undertaking CSR & Sustainability activities for the year 2015-16 which includes unspent balance of Rs. 1.5 Lakhs carried forward from previous years and Rs. 14.74 Lakhs towards allocation for 2015-16. An amount of Rs. 26.16 Lakhs was also spent during the year towards the activities for the year 2014-15.

(b) Amount unspent , if any;

In compliance to DPE Guidelines on Corporate Social Responsibility and Sustainability for CPSEs, Rs. 11.46 Lakhs would be carried forward to the next year towards utilization of CSR and Sustainability activities approved in 2015-16, which includes Rs.8.54 Lakhs towards activities awarded before 31.3.2016 and completed/paid after 31.3.2016. Resulting balance of Rs. 2.92 Lakhs is being carried forward for utilization in 2016-17.

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

(Rs. In Lakhs)

S. No	CSR project or activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1. Direct expenditure on projects or programs. 2. Overheads:	Cumulative expenditure upto to the reporting period. (Including expenditure incurred in previous years)	Amount spent: Direct or through implementing agency
1.	Maintenance of 10 no. toilets constructed under Swachh Vidyalaya Campaign	Clause1 (i) of Schedule VII	1. Local area 2. Dist:-Dhubri, Barpeta of Assam and Purba Medinipur of West Bengal	1.5	0.22 [@]	0.22	Direct by school authorities
2.	To provide Reverse Osmosis (RO) Plants for safe drinking water	Clause1 (i) of Schedule VII	1. Local area 2. Dist:- Narasaraopet, Andhra Pradesh	05	4.58	4.58	Direct by engaging contractors through tender process



3.	To provide- (a) RO Plant (b) Solar Lights	Clause 1 (i) & (iv) of Schedule VII	1. Local area 2. Dist:- Pilibhit, Uttar Pradesh	08	@	-	Direct by engaging contractors through tender process
4.	Tree Planation at ITBP Jabalpur	Clause 1 (iv) of Schedule VII	1. Local area 2. Dist:- Jabalpur, Madhya Pradesh	0.50	#	-	Direct by engaging contractors through tender process
5.	Construction of toilets in 10 Govt. Schools in the State of Assam and West Bengal under Swachh Vidyalaya Campaign	Clause1 (i) of Schedule VII	1.Local area 2. Dist:-Dhubri, Barpeta & Hailakandi of Assam and Purba Medinipur of West Bengal	*	8.35	26.29	Direct by engaging contractors through tender process and funds transfer State Authorities
6.	Providing Solar Lighting- (a) In and around the schools where Construction of toilets have been undertaken	Clause 1 (iv) of Schedule VII	1. Local area 2. Dist:- Dhubri, Barpeta & Hailakandi of Assam	*	4.61	9	Direct by engaging contractors through tender process
	(b) Solar lighting at Mastur Village in Karnataka under Sansad Adarsh Gram Yojana Scheme		1. Local area 2. Dist:- Mastur Village, Siddihalli Village and M.M. Kere Village, Davangere, Karnataka	*	13.20	13.20	Direct by engaging contractors through tender process
7.	Contingencies	-	-	1.24	-	-	-
	TOTAL			16.24	30.96	53.29	

* Activities awarded in 2014-15 which were completed /payments released in 2015-16 amounting to Rs. 26.16 Lakhs

@ Activities awarded in 2015-16 which shall continue in 2016-17.

Activity awarded and completed before 31.03.2016. However payment released after 31.03.2016

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:

An amount of Rs. 16.24 Lakhs was available for CSR and Sustainability activities for 2015-16 and work orders were placed during the year, for all approved activities. As on 31st March 2016, Rs. 30.96 Lakhs have been spent. The resulting balance of Rs. 11.46 Lakhs includes Rs. 8.54 Lakhs towards activities awarded before 31.3.2016 and completed/paid after 31.3.2016. The unspent balance of Rs. 2.92 Lakhs is being carried forward for utilization in 2016-17.



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/-
(Vinoo Gopal)
Director (Projects)
DIN: 05173442

Sd/-
(Dr. K.S. Rao)
(Chairman CSR Committee)
DIN: 03383447

Date: New Delhi

Place: 05th September 2016

Installation of Reverse Osmosis (RO) Plants for potable water-a welfare measure for community at large



Installation of Reverse Osmosis (RO) Plant at Narasaraopet, Andhra Pradesh



Installation of RO Plant and Solar Lights at Pilibhit, Uttar Pradesh

**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
Date: 05th September 2016



Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2016

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: **-U27109DL1970GOI117585**
- ii) Registration Date: **16th April 1970**
- iii) Name of the Company: **Engineering Projects (India) Limited**
- iv) Category / Sub-Category of the Company: **Miniratna, Category II (Schedule B)**
- v) Address of the Registered office and contact details: **Core-3, Scope Complex, 7 Lodhi Road, New Delhi-110003, Tel : 91-11-24361666**
- vi) Whether listed company Yes / No: **No**
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:
 Name: **MCS Share Transfer Agent Limited**
 Address: **F-65, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi-110020**
 Contact No.: **41406149-52**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service*	% to total turnover of the company
1.	Construction of Buildings	410	36%
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

* Subsequent to the closure of financial year, a subsidiary Company under Section 2(87) of the Companies Act, 2013 has been incorporated on 19th May 2016 as “EPI Urban Infra Developers Limited” (U45309DL2016GOI299995) with equity participation of 51% by EPI.



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

i) Category-wise Share Holding

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



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

(ii) Shareholding of Promoters

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



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

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

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

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



(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	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.):				
	Shri SPS Bakshi, Chairman-cum-Managing Director <u>Beginning of the year</u> <u>End of the year</u>	Nil Nil	Nil Nil	Nil Nil	Nil Nil
	Shri Vinoo Gopal, Director (Projects) <u>Beginning of the year</u> <u>End of the year</u>	Nil Nil	Nil Nil	Nil Nil	Nil Nil
	Shri A. V. V. Krishnan, Director (Finance) <u>Beginning of the year</u> <u>End of the year</u> Ceased w.e.f from 30.11.2015	Nil Nil	Nil Nil	Nil Nil	Nil Nil
	Shri Rajesh Kumar Singh, Govt. Nominee Director <u>Beginning of the year</u> <u>End of the year</u>	Nil Nil	Nil Nil	Nil Nil	Nil Nil
	Shri S.S Dubey, Govt. Nominee Director <u>Beginning of the year</u> <u>End of the year</u> Ceased w.e.f from 30.11.2015	Nil Nil	Nil Nil	Nil Nil	Nil Nil
	Shri Siya Sharan, Govt. Nominee Director <u>Beginning of the year</u> <u>End of the year</u> (appointed w.e.f. 11.01.2016)	Nil Nil	Nil Nil	Nil Nil	Nil Nil
	Dr. K.S.Rao, Independent Director <u>Beginning of the year</u> <u>End of the year</u>	Nil Nil	Nil Nil	Nil Nil	Nil Nil
	Shri Sushant Baliga, Independent Director <u>Beginning of the year</u> <u>End of the year</u> (appointed w.e.f. 18.11.2015)	Nil Nil	Nil Nil	Nil Nil	Nil Nil
	Smt. Anita Chaudhary, Independent Director <u>Beginning of the year</u> <u>End of the year</u> (appointed w.e.f. 01.12.2015)	Nil Nil	Nil Nil	Nil Nil	Nil Nil
	Smt. Sudha V. Varadhan <u>Beginning of the year</u> <u>End of the year</u>	Nil Nil	Nil Nil	Nil Nil	Nil Nil



V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S.N.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		CMD [CEO]	Dir. (P)	Dir.(F) [CFO]* (upto 30.11.2015)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4602000	2645616	1900758	9148374
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	737955	457978	304951	1500884
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission - as % of profit - Others, specify...	0	0	0	0
5	Others- Contribution to Statutory Funds & other reimbursements etc.	535373	544936	261868	1342177
	Total (A)	5875328	3648530	2467577	11991435
	Ceiling as per the Act	Not applicable as section 197 of Companies Act, 2013 shall not apply to Government Companies in terms of the Ministry of Corporate Affairs notification dated 5th June 2015.			

* Remuneration upto Nov. 2015 only (resignation)



B. Remuneration to other directors:

S.N.	Particulars of Remuneration	Name of Directors			Total Amount
		Dr. K.S. Rao	Shri Sushant Baliga (w.e.f.18.11.15)	Smt. Anita Chaudhary (w.e.f. 1.12.15)	
3.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	155000	45000	45000	245000
	Total (1)	155000	45000	45000	245000
4.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify				
	Total (2)	-			-
	Total (B)=(1+2)	155000	45000	45000	245000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act	Not applicable as section 197 of Companies Act, 2013 shall not apply to Government Companies in terms of the Ministry of Corporate Affairs notification dated 5th June 2015.			

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

S.N.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary (Smt. Sudha V Varadhan)	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	1578455	0	1578455
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission - as % of profit - Others, specify...	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	0	1578455	0	1578455



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
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL



SECRETARIAL AUDIT REPORT

(For the Financial year ended on 31st March 2016)

[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: U27109DL1970G0I117585

CORE 3, SCOPE COMPLEX, 7 INSTITUTIONAL AREA, LODHI ROAD

New Delhi-110003

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

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we do hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2016, 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")** or the period ended on March 2016 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, ('SEBT 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 rules made thereunder have been identified as specifically applicable to the company by the Management:
- (a) Department of Public Enterprises Guidelines are issued by Ministry of Heavy Industries and public Enterprises dated 14th May 2010.
 - (b) Income Tax Act, 1961
 - (c) Wealth Tax Act, 1957
 - (d) Service Tax Law
 - (e) VAT/Central Sales Tax Act/WCT
 - (f) Air (Prevention and Control of Pollution) Act, 1981
 - (g) Environment Protection Act, 1986
 - (h) Water (Prevention & Control of Pollution) Act, 1974
 - (i) Information Technology Act, 2000 and the rules made thereunder
 - (j) Indian Stamp Act, 1999
 - (k) Right to Information Act, 2005
 - (l) Negotiable Instrument Act 1881
 - (m) Other Labour Laws and rules made thereunder:



- Construction Workers (Regulation of Employment and condition of Service) Act, 1996
- Apprentice Act, 1961
- Child Labour Act, 1986
- Contract Labour (Regulation and Abolition) Act, 1970
- Workmen Compensation Act, 1923
- Employees Provident Fund and Miscellaneous Provisions Act, 1952
- Equal Remuneration Act, 1976
- Electricity Act, 2003
- Maternity Benefits Act, 1961
- Minimum Wages Act, 1948
- Employee State Insurance Act, 1948
- Payment of Wages Act, 1936
- Payment of Gratuity Act, 1972
- Payment of Bonus Act, 1965
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- Shops and Commercial Establishment Act

We have also examined compliance with applicable clauses of the following:

- (i) The Secretarial Standards issued by the Institute of Company Secretaries of India.

We further report that no observation in respect of compliances by the Company with the following is required:

- (ii) 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.

We further report that:

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

Adequate notice is 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 decision is carried through while 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

CPNO. 7710

Place: New Delhi

Date: 29/08/2016

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: U27109DL1970G0I117585

CORE 3, SCOPE COMPLEX, 7 INSTITUTIONAL AREA, LODHI ROAD

New Delhi-I 10003

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. Wherever 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
CPNO. 7710**

Place: New Delhi

Date: 29/08/2016



INDEPENDENT AUDITOR'S REPORT

To

The Members of Engineering Projects (India) Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Engineering Projects (India) Limited ("**the Company**"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended, in which are incorporated the six audited returns e.g. Western Region, Eastern Region, Southern Region, Northern Region and overseas returns of Oman and Sri Lanka audited by the other branch auditors. Corporate Office and returns of Jaipur and Alwar offices are audited by us.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the order under section 143 (11) of the Act. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial



statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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, 2016, and its Profit and its cash flows for the year ended on that date.

Emphasis of Matter

Attention is drawn on Note no. 2.38 of the notes to Accounts. The Company has changed its accounting policy on Provision for Doubtful Debts/ Loans and Advances. As a result, the current year expenses on account of Provisions for doubtful debts/Loans and advances are higher by Rs. 580.77 lakh. Consequently, Profit for the year is lower by Rs. 379.78 lakh, Non-current Assets are lower by Rs. 580.77 lakh and Deferred Tax Assets are higher by 200.99 lakh. Our opinion is not qualified in respect of the above

Others Matters

We did not audit the financial statements/information of 6 (Six) branches included in the standalone financial statements of the Company whose financial statements/ financial information reflect total assets of Rs.1425.74 lakh as at 31st March, 2016 and total revenues of Rs.1312.80 lakh 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 by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of Section 143 of the Act, the compliances of which is set out in "**Annexure B**".
3. As required by section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;



- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books; Proper Returns adequate for the purposes of our audit have been received from branches not visited by us.
- (c) The reports on the accounts of the branch offices of the Company audited under Section 143 (8) of the Act by Branch Auditors have been sent to us and have been properly dealt with by us in preparing this report;
- (d) the balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (e) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;-
- (f) on the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- (g) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, Regional / branch auditors have submitted their separate report. We have consolidated the separate report based on the feedback received from regional / branch auditors in “Annexure-C” and
- (h) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations as at March 31, 2016 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 standard, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For GSA & Associates
Chartered Accountants,
FRN: 000257N

Sd/-
Ashish Arya
Partner
Membership No. 533967
Place: New Delhi
Dated: 5th September, 2016



ANNEXURE A TO THE AUDITOR'S REPORT

The Annexure referred in the Independent Auditors' Report to the member of the Company on the standalone financial statement for the year ended 31st March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items once in a year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for leased property of Corporate office (refer foot note below Note no. 2.8).
- (ii) (a) The management has conducted physical verification of Inventory at reasonable intervals during the year. Inventory of the company comprises of construction work in progress and stock of material.
- (b) In our opinion and according to the information and explanations given and forwarded to us, the procedures for physical verification followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given and forwarded to us, the Company has maintained proper quantitative records of its inventory and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanation given to us the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in registered maintained under section 189 of Companies Act, 2013. Accordingly, provisions of clauses 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us the Company has not made any loans, investments, guarantee, and security in terms of Section 185 and 186 of Companies Act 2013.
- (v) In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public.
- (vi) 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 and maintained by the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect



of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities except for in one case carrying an insignificant amount. As explained to us, there are no undisputed outstanding statutory dues as at the last day of the financial year i.e. 31st March 2016 for a period of more than six months from the date they became payable except for one case carrying an insignificant amount, which has been deposited subsequently.

- (b) According to information and explanations given to us, the following dues of income tax, sales tax, service tax and value added tax have not been deposited by the Company on account of disputes:

S.No	Name of the Statute	Nature of Dues	Amount (In Rs.)	Period to which the amount relates	Forums where dispute is pending
1	West Bengal VAT Act, 2003	Demand	14,26,88,263	2011-12	Senior Joint Commissioner (1st Appeal) West Bengal Commercial Tax, Kolkata
2		Demand	5,18,90,632	2012-13	
3		Demand	2,27,17,771	2005-06	West Bengal Taxation Tribunal, Kolkata
4		Demand	11,61,775	2007-08	West Bengal Commercial Taxes Appellate & Revisional Board, Kolkata
5		Demand	41045	2008-09	Fast Track Revisional Authority, West Bengal Commercial Tax, Kolkata
6		Demand	19,13,545	2009-10	Special Commissioner, West Bengal Commercial Tax, Kolkata
7	Andhra Pradesh Value Added Tax Act	Demand	44,48,905	2008-09 & 2009-10	High Court of Andhra Pradesh, Hyderabad
8	UP Trade Tax Act, 1948	Demand	8,72,500	1993-94	Sales Tax Tribunal
9	Gujrat Sales Tax Act, 2003	Demand	39,78,615	2010-11	Gujrat Value Added Tax Tribunal, Ahmedabad
10	Finance Act, 1994 (Service Tax Laws)	Demand/ Penalty	4,18,63,946	2005-06 to 2007-08	The CESTAT, Kolkata
11			37,46,050	2010-11 to 2012-13	



12			36,17,680	2004-05 to 2005-06	Office of the Commissioner of the Central Excise, Morello Compound Shillong
13			9,83,80,264	2004-05 to 2007-08	Delhi High Court
14	Income Tax Act, 1961	Demand	15,91,880	2008-09 to 2015-16	ACIT, Circle-1(TDS) Kolkata
15		Demand	11,38,673	2012-13	CIT (Appeals) New Delhi
		Total	38,00,51,544		

- (viii) The Company has not availed any loan or borrowing from any financial institution, banks, government or from others. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit
- (xi) The Company has paid/provided for managerial remuneration in accordance with the provision of section 197 read with schedule V of the Act.
- (xii) The Company is not a Nidhi Company, accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanation provided to us and based on our examination of the records of the Company all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statements etc. as required by the accounting standards and Companies Act, 2013.
- (xiv) The Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanation provided to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For GSA & Associates
Chartered Accountants,
FRN: 000257N

Sd/-

Ashish Arya

Partner

Membership No. 533967

Place: New Delhi

Dated: 5th September, 2016



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

S. No.	Directions	Reply
1.	Whether the Company has clear title/ lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/ lease deeds are not available.	The Company has clear title/ lease deed for lease hold land of Alwar Property. There is no freehold land held by the Company.
2.	Whether there are any cases of waiver/ write off of debts/ loans/ interest etc. If yes, reasons thereof and amount involved.	There is a write off Debts amounting to Rs.48,34,575 during the financial year 2015-16 and has been accounted in financial statements. As per Management these amount is pending for long period and chances of recovery are remote.
3.	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grants from government or other authorities	As per information & explanation given to us there is no inventory lying with third parties and no assets received as gift from Government or other authorities.

For GSA & Associates
Chartered Accountants,
FRN: 000257N

Sd/-

Ashish Arya

Partner

Membership No. 533967

Place: New Delhi

Dated: 5th September, 2016



ANNEXURE C TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **Engineering Projects (India) Limited ("the Company")** as of March 31st, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date. In this report, we have consolidated the feedback received from regional auditors.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitation of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, we noticed that process of obtaining balance confirmation needs certain improvement although they do not form any internal control deficiency.

For GSA & Associates

Chartered Accountants,
FRN: 000257N

Sd/-

Ashish Arya

Partner

Membership No. 533967

Place: New Delhi

Dated: 5th September, 2016



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

Sl. No.	Auditor's Report/Comment	Reply of the Company
1	We have audited the accompanying standalone financial statements of Engineering Projects (India) Limited (" the Company "), which comprise the Balance Sheet as at 31 st March 2016, the Statement of Profit and Loss and the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended, in which are incorporated the six audited returns e.g. Western Region, Eastern Region, Southern Region, Northern Region and overseas returns of Oman and Sri Lanka audited by the other branch auditors. Corporate Office and returns of Jaipur and Alwar offices are audited by us.	No Comments
2	The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.	No Comments
3	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 there under and the order under section 143 (11) of the Act. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on standalone financial statements.	No Comments
4	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 st March, 2016, and its Profit and its cash flows for the year ended on that date.	No Comments



5	<p>Attention is drawn on Note no. 2.38 of the notes to Accounts-</p> <ul style="list-style-type: none"> The Company has changed its accounting policy on Provision for Doubtful Debts/ Loans and Advances. As a result, the current year expenses on account of Provisions for doubtful debts/Loans and advances are higher by Rs. 580.77 lakh. Consequently, Profit for the year is lower by Rs. 379.78 lakh, Non-current Assets are lower by Rs. 580.77 lakh and Deferred Tax Assets are higher by 200.99 lakh. <p>Our opinion is not qualified in respect of the above</p>	No Comments
6	<p>We did not audit the financial statements/information of 6 (Six) branches included in the standalone financial statements of the Company whose financial statements/ financial information reflect total assets of Rs.1425.74 lakh as at 31st March, 2016 and total revenues of Rs.1312.80 lakh 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.</p>	No Comments
Report on Other Legal and Regulatory Requirements		
	<ol style="list-style-type: none"> As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of Section 143 of the Act, the compliances of which is set out in "Annexure B". As required by section 143(3) of the Act, we report that: <ol style="list-style-type: none"> 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; 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. 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; 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; 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;- on the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act; 	<p>No Comments</p> <p>No Comments</p> <p>No Comments</p> <p>No Comments</p> <p>No Comments</p> <p>No Comments</p> <p>No Comments</p>



	<p>(g) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, Regional / branch auditors have submitted their separate report. We have consolidated the separate report based on the feedback received from regional / branch auditors in “Annexure-C” and</p> <p>(h) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:</p> <p>i. the Company has disclosed the impact of pending litigations as at March 31st, 2016 on its financial position in its financial statements- Refer Note 2.23 to the financial statements;</p> <p>ii. the Company has made provision, as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long term contracts including derivative contracts.</p> <p>iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.</p>	<p>No Comments</p> <p>No Comments</p> <p>No Comments</p> <p>No Comments</p>
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For GSA & Associates
Chartered Accountants,
FRN: 000257N

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

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

Sd/-
Ashish Arya
Partner
Membership No. 533967

Place: New Delhi
Dated: 5th September, 2016



ANNEXURE A TO THE AUDITOR'S REPORT DATED 5th SEPTEMBER, 2016 TO THE MEMBERS OF ENGINEERING PROJECTS (INDIA) LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 AND COMPANY'S REPLY

Sl. No.	Auditor's Report/Comment	Reply of the Company
1	The Annexure referred in the Independent Auditors' Report to the member of the Company on the standalone financial statement for the year ended 31 st March 2016, we report that:	
(i)	<p>(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) The Company has a program of verification of fixed assets to cover all the items once in a year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.</p> <p>(c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for leased property of Corporate office (refer foot note below Note no. 2.8).</p>	No Comments
(ii)	<p>(a) The management has conducted physical verification of Inventory at reasonable intervals during the year. Inventory of the company comprises of construction, work in progress and stock of material.</p> <p>(b) In our opinion and according to the information and explanations given and forwarded to us, the procedures for physical verification followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>(c) In our opinion and according to the information and explanations given and forwarded to us, the Company has maintained proper quantitative records of its inventory and no material discrepancies were noticed on physical verification.</p>	No Comments
(iii)	According to the information and explanation given to us the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in registered maintained under section 189 of Companies Act, 2013. Accordingly, provisions of clauses 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the order are not applicable to the Company and hence not commented upon.	No Comments



(iv)	In our opinion and according to the information and explanations given to us the Company has not made any loans, investments, guarantee, and security in terms of Section 185 and 186 of Companies Act, 2013.	No Comments																										
(v)	In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public.	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 and maintained by the company.	No Comments																										
(vii)	<p>(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities except for in one case carrying an insignificant amount.</p> <p>As explained to us , there are no undisputed outstanding statutory dues as at the last day of the financial year i.e. 31 March 2016 for a period of more than six months from the date they became payable except for one case carrying an insignificant amount, which has been deposited subsequently.</p>	Noted and paid																										
	<p>(b) According to information and explanations given to us, the following dues of income tax, sales tax, service tax and value added tax have not been deposited by the Company on account of disputes:</p> <table border="1"> <thead> <tr> <th>S. No</th> <th>Name of the Statute</th> <th>Nature of Dues</th> <th>Amount (In Rs.)</th> <th>Period to which the amount relates</th> <th>Forums where dispute is pending</th> </tr> </thead> <tbody> <tr> <td>1</td> <td rowspan="4">West Bengal VAT Act 2003</td> <td>Demand</td> <td>14,26,88,263</td> <td>2011-12</td> <td>Senior Joint Commissioner (1st Appeal) West Bengal Commercial Tax, Kolkata</td> </tr> <tr> <td>2</td> <td>Demand</td> <td>5,18,90,632</td> <td>2012-13</td> <td></td> </tr> <tr> <td>3</td> <td>Demand</td> <td>2,27,17,771</td> <td>2005-06</td> <td>West Bengal Taxation Tribunal, Kolkata</td> </tr> <tr> <td>4</td> <td>Demand</td> <td>11,61,775</td> <td>2007-08</td> <td>West Bengal Commercial Taxes Appellate & Revisional Board, Kolkata</td> </tr> </tbody> </table>		S. No	Name of the Statute	Nature of Dues	Amount (In Rs.)	Period to which the amount relates	Forums where dispute is pending	1	West Bengal VAT Act 2003	Demand	14,26,88,263	2011-12	Senior Joint Commissioner (1st Appeal) West Bengal Commercial Tax, Kolkata	2	Demand	5,18,90,632	2012-13		3	Demand	2,27,17,771	2005-06	West Bengal Taxation Tribunal, Kolkata	4	Demand	11,61,775	2007-08
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5		Demand	41045	2008-09	Fast Track Revisional Authority, West Bengal Commercial Tax, Kolkata	
6		Demand	19,13,545	2009-10	Special Commissioner, West Bengal Commercial Tax, Kolkata	
7	Andhra Pradesh Value Added Tax Act	Demand	44,48,905	2008-09 & 2009-10	High Court of Andhra Pradesh, Hyderabad	
8	UP Trade Tax Act, 1948	Demand	8,72,500	1993-94	Sales Tax Tribunal	
9	Gujrat Sales Tax Act, 2003	Demand	39,78,615	2010-11	Gujrat Value Added Tax Tribunal, Ahmedabad	
10	Finance Act, 1994 (Service Tax Laws)	Demand /Penalty	4,18,63,946	2005-06 to 2007-08	The CESTAT, Kolkata	
11			37,46,050	2010-11 to 2012-13		
12			36,17,680	2004-05 to 2005-06	Office of the Commissioner of the Central Excise, Morello Compound, Shillong	
13			9,83,80,264	2004-05 to 2007-08	Delhi High Court	
14			Income Tax Act, 1961	Demand	15,91,880	2008-09 to 2015-16
15		Demand	11,38,673	2012-13	CIT (Appeals) New Delhi	
		Total	38,00,51,544			
(viii)	Company has not availed any loan or borrowing from any financial institution, banks, government or from others. Accordingly, paragraph 3(viii) of the Order is not applicable.					No Comments
(ix)	The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan. Accordingly, paragraph 3(ix) of the Order is not applicable.					No Comments



(x)	According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit	No Comments
(xi)	The Company has paid/provided for managerial remuneration in accordance with the provision of section 197 read with schedule V of the Act.	No Comments
(xii)	The Company is not a Nidhi Company, accordingly, paragraph 3(xii) of the Order is not applicable.	No Comments
(xiii)	According to the information and explanation provided to us and based on our examination of the records of the Company all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the accounting standards and Companies Act, 2013.	No Comments
(xiv)	The Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year.	No Comments
(xv)	According to the information and explanation provided to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.	No Comments
(xvi)	The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.	No Comments

For GSA & Associates
Chartered Accountants,
FRN: 000257N

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

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

Sd/-
Ashish Arya
Partner
Membership No. 533967

Place: New Delhi
Dated: 5th September, 2016



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

S. No.	Directions	Reply
1.	Whether the Company has clear title/ lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/ lease deeds are not available.	The Company has clear title/ lease deed for lease hold land of Alwar Property. There is no freehold land held by the Company.
2.	Whether there are any cases of waiver/ write off of debts/ loans/ interest etc. If yes, reasons thereof and amount involved.	There is a write off Debts amounting to Rs.48,34,575 during the financial year 2015-16 and has been accounted in financial statements. As per Management these amount is pending for long period and chances of recovery are remote.
3.	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grants from government or other authorities	As per information & explanation given to us there is no inventory lying with third parties and no assets received as gift from Government or other authorities.

For GSA & Associates
Chartered Accountants,
FRN: 000257N

Sd/-

Ashish Arya

Partner

Membership No. 533967

Place: New Delhi

Dated: 5th September, 2016



ANNEXURE C TO THE AUDITOR'S REPORT DATED 5th SEPTEMBER, 2016 TO THE MEMBERS OF ENGINEERING PROJECTS (INDIA) LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016 AND COMPANY'S REPLY

Sl. No.	Auditor's Report/Comment	Reply of the Company Annexure – C to the Auditors' Report
1	We have audited the internal financial controls over financial reporting of Engineering Projects (India) Limited ("the Company") as of March 31 st , 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date. In this report, we have consolidated the feedback received from regional auditors.	No Comments
2	The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.	No Comments
3	Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.	No Comments
4	A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance	No Comments



	<p>with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that</p> <p>(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;</p> <p>(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and</p> <p>(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.</p>	
5	<p>Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.</p>	No Comments
6	<p>In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, we noticed that process of obtaining balance confirmation needs certain improvement although they do not form any internal control deficiency.</p>	Noted for compliance

For GSA & Associates
Chartered Accountants,
FRN: 000257N

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

Sd/-
Ashish Arya
Partner
Membership No. 533967

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

Place: New Delhi
Dated: 5th September, 2016



BALANCE SHEET AS AT 31ST MARCH, 2016

(Amount in ₹)

	Particulars	Note No.	As at 31st March, 2016		As at 31st March, 2015	
I.	EQUITY AND LIABILITIES					
1	Shareholders' Funds :					
	a) Share Capital	2.1	354,226,880		354,226,880	
	b) Reserves and Surplus	2.2	1,924,157,152	2,278,384,032	1,808,866,895	2,163,093,775
2	Non Current Liabilities					
	a) Long - Term Borrowings		-	-	-	
	b) Other Long - Term Liabilities	2.3	3,459,332,276		2,518,011,646	
	c) Long - Term Provisions	2.4	273,151,218	3,732,483,494	234,225,457	2,752,237,103
3	Current Liabilities					
	a) Short Term Borrowings	-	-	-	-	
	b) Trade Payables	2.5				
	i) Due to MSME		-	-	-	
	ii) Due to Others		2,819,841,540		4,055,913,891	
	c) Other Current Liabilities	2.6	7,095,938,944		9,072,378,768	
	d) Short Term Provisions	2.7	172,737,972	10,088,518,456	118,497,438	13,246,790,097
	Total			16,099,385,982		18,162,120,975
II.	ASSETS					
1	Non current assets					
	a) Fixed assets	2.8				
	(i) Tangible Assets		93,186,471		89,844,058	
	(ii) Intangible Assets		935,098		1,306,870	
	(iii) Capital Work-in-Progress		-		-	
	(iv) Intangible Assets Under Development		5,499,043		4,098,052	
			99,620,612		95,248,980	
	b) Non Current Investments	-	-	-	-	
	c) Deferred Tax Assets (Net)	2.9	109,344,125		76,141,793	
	d) Long Term Loans and Advances	2.10	2,925,897,360		2,282,398,202	
	e) Other Non Current Assets	2.11	642,902,764	3,777,764,861	533,892,561	2,987,681,536
2	Current assets					
	a) Current Investments	-	-	-	-	
	b) Inventories	2.12	85,539,569		135,529,097	
	c) Trade Receivables	2.13	1,710,178,846		2,949,362,488	
	d) Cash and Bank Balances	2.14	3,066,038,322		2,039,703,884	
	e) Short Term Loans and Advances	2.15	3,333,075,966		4,138,214,672	
	f) Other Current Assets	2.16	4,126,788,418	12,321,621,121	5,911,629,299	15,174,439,439
	Total			16,099,385,982		18,162,120,975
	Significant Accounting Policies	1				
	Notes to accounts	2				

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

Sd/-
(Sudha V. Varadhan)
Company Secretary

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

Sd/-
(Vinoob Gopal)
Director (Projects)

For and on behalf of the Board of Directors
Sd/-
(SPS Bakshi)
Chairman-cum-Managing Director

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

Place : New Delhi
Date : 05th September, 2016

Sd/-
Ashish Arya
Membership No. 533967



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in ₹)

Particulars		Note No.	Year ended 31st March, 2016	Year ended 31st March, 2015
I.	Revenue From Operations	2.17	12,954,644,389	10,312,821,386
II.	Other Income	2.18	277,296,059	266,982,950
III.	Total Income (I+II)		13,231,940,448	10,579,804,336
IV.	Expenses:			
	Operating Expenses	2.19	11,649,262,546	9,161,701,466
	Employee Remuneration and Benefits	2.20	785,061,710	689,639,555
	Finance Costs	2.21	58,092,977	70,615,207
	Depreciation & Amortisation Expenses	2.8	11,414,940	9,961,864
	Other Expenses	2.22	346,190,826	235,816,640
	Total Expenses		12,850,022,999	10,167,734,732
V.	Profit before exceptional and extraordinary items and tax (III-IV)		381,917,449	412,069,604
VI.	Exceptional Items		-	-
VII.	Profit before Extraordinary Items and Tax (V-VI)		381,917,449	412,069,604
VIII.	Extraordinary Items		-	-
IX.	Profit/(Loss) Before Tax (VII-VIII)		381,917,449	412,069,604
X	Tax Expense			
	Current Tax		169,884,253	143,553,346
	Deferred Tax		(33,202,332)	(2,345,805)
	Tax for Previous year		(227,169)	-
XI.	Profit For the Year (IX-X)		245,462,697	270,862,063
XII.	Earnings Per Share (Basic & Diluted)	2.40	6.93	7.65
	Significant Accounting Policies	1		
	Notes to Accounts	2		

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

Sd/-
(Sudha V. Varadhan)
Company Secretary

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

Sd/-
(Vinoob Gopal)
Director (Projects)

For and on behalf of the Board of Directors
Sd/-
(SPS Bakshi)
Chairman-cum-Managing Director

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

Sd/-
Ashish Arya
Membership No. 533967

Place : New Delhi
Date : 05th September, 2016



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in ₹)

Particulars		2015-2016	2014-2015
Cash Flow From Operating Activities			
Net Profit before taxation & extraordinary items		381,917,449	412,069,604
Adjustments For:			
Depreciation and Amortization		11,414,940	9,961,864
Finance Cost		58,092,977	70,615,207
(Profit) / Loss on Sale of Assets (Net)		126,147	3,967
Interest Income		(237,119,736)	(233,093,694)
Provisions (Written back)/ Written off		96,189,970	(5,243,637)
Effect of Exchange Variations		10,823,160	(11,943,813)
Operating Profit Before Working Capital Changes	(1)	321,444,907	242,369,496
Adjustments For:			
(Increase)/ Decrease in Materials		49,989,528	(60,694,668)
(Increase)/ Decrease in Trade Receivables		1,084,074,204	(183,369,529)
(Increase)/ Decrease in Loans & Advances		1,918,040,686	4,567,406,623
Increase/(Decrease) In Current Liabilities & Provisions		(2,195,763,187)	(4,117,497,576)
	(2)	856,341,231	205,844,850
Cash Generated From Operations	(1)+(2)	1,177,786,138	448,214,346
Income Tax Paid		(200,359,782)	(142,854,670)
Net Cash From Operating Activities	(A)	977,426,357	305,359,677
Cash Flows From Investing Activities			
Purchase/ Construction of Fixed Assets		(16,113,601)	(13,445,356)
Proceeds From Sale of Assets		200,882	55,718
Investment (made)/ matured in FDR pledged or having maturity over three months		(76,183,292)	220,583,720
Interest Income (Net)		209,204,481	249,945,654
Net Cash From Investing Activities	(B)	117,108,470	457,139,736
Cash Flows From Financing Activities			
Finance Cost		(58,092,977)	(70,615,207)
Dividend Paid		(70,845,376)	(70,845,376)
Dividend Tax Paid		(14,422,454)	(12,040,172)
Net Cash From Financing Activities	(C)	(143,360,807)	(153,500,754)
Effects of Exchange differences on translation of Foreign Currency	(D)	(1,022,874)	(2,343,107)
Net Increase / (Decrease) in Cash & Cash Equivalents	(A+B+C+D)	950,151,147	606,655,552
Cash & Cash Equivalents at the beginning of Year		1,481,848,563	875,193,011
Cash & Cash Equivalents at the end of the Year		2,431,999,710	1,481,848,563
Cash & Cash Equivalents :			
Cash in Hand		92,808	137,811
Cheques in Hand		20,000	31,501
Balance with Banks in Current Accounts		201,598,086	122,580,396
Fixed Deposit (With Maturity Upto 3 Months)		2,230,288,815	1,359,098,855
Cash & Cash Equivalents at the end of the Year		2,431,999,710	1,481,848,563

- Note: 1. Cash and cash equivalents consists of cash in hand and balances with banks
 2. Figures in brackets represent outflow of cash.
 3. Figures of the previous year have been regrouped/recast wherever necessary.

For and on behalf of the Board of Directors

Sd/-
(Sudha V. Varadhan)
 Company Secretary

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

Sd/-
(Vinoob Gopal)
 Director (Projects)

Sd/-
(SPS Bakshi)
 Chairman-cum-Managing Director
 As per our report on even date attached
For GSA & Associates
 Chartered Accountants
 FRN-000257N

Place : New Delhi
 Date : 05th September, 2016

Sd/-
Ashish Arya
 Membership No. 533967



SIGNIFICANT ACCOUNTING POLICIES (2015-16)

1. Basis of accounting

- a) The financial statements are prepared under historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles in India and to comply with the Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (the “2013 Act”). The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except the following:

Refer note no.	Nature of Change	Financial Impact over the current financial statements as compared to previous financial statements
Accounting Policy 3(h)	Project is considered Closed for accounting purposes on happening of certain events	Financial Impact is Nil
Accounting Policy 10	Provision for Doubtful Debts / Loans and Advance	Current year profit is lower by ₹ 580,77,230 and assets are lower by ₹ 580,77,230
Note No. 2.29	Creation of provision for Post-retirement Travelling allowance	Provision for one time Post retirement Travelling allowance has been made amounting to ₹ 2,72,939 in the year 2015-16

- b) All Assets and Liabilities have been classified as current or non-current as per the criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time within which the assets are expected to be realized in cash and cash equivalents in the ordinary course of business, the company has ascertained its operating cycles as 12 months for the purpose of current and non-current classification of assets and liabilities

2. Use of estimates

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

3. Revenue recognition

- a) Contract Revenue is recognised to the extent it is probable that economic benefits will flow to the company and revenue can be reliably measured. Revenue is recognised by adding the aggregate cost of work and proportionate margin using the percentage of completion method. The percentage of completion is determined as a proportion of cost



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

4. Inventory

(i) Materials

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

(ii) Work in Progress

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

5. Foreign exchange transactions

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

- i) Revenue items (income and expenditure) are translated into Indian currency on the basis of average of buying rate prevalent on the last working day of each month of the relevant financial year.
- ii) 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	Building (Other than factory Building) RCC frame structure (NESD)	1.58%
2	Others Temporary Construction (Including temporary structure etc.) (NESD)	31.67%
3	Plant and Machinery used in civil construction	
3(a)(i)	Concreting, Crushing, Piling equipment and Road Making Machine	7.92%
3(a)(ii)(a)	Cranes with capacity of more than 100 tons	4.75%
3(a)(ii)(b)	Cranes with capacity of less than 100 tons	6.33%
3(a)(iii)	Earth moving equipments	10.56%
3(a)(iv)	Others including material handling/ Pipeline/welding equipments(NESD)	7.92%
4	General Furniture and Fixture (NESD)	9.50%
5	Office Equipments (NESD)	19%
6	Computers and data processing units (NESD)	
6(a)	Server and Network	15.83%
6(b)	End user devices such as Desktop, Laptop etc.	31.67%
7	Motor Vehicles (NESD)	
7(a)	Motorcycles, Scooters & Other Mopeds	9.50%
7(b)	Motor Buses, Motor Lorries and Motor Cars other than used in business of running them on hire	11.88%

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



100% for that period.

- c) 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. Leasehold land under perpetual lease is not being amortised and carried at cost.

8. Employee benefits

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

9. Provisions, contingent liabilities and contingent assets

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

10. Provision for Doubtful Debts/ Loans and Advances

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

11. Segment Reporting

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

12. Impairment of assets

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of



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

13. Taxation

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

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

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

14. Leases

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

15. Earnings per share

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

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

16. Prior Period Items and Prepaid Expenses

Expenditure/income relating to prior period and prepaid expenses not exceeding Rs.50000/- in each case are treated as expenditure/income of the current year.



Note No. 2.1

(Amount in ₹)

Share Capital	2015-16	2014-15
Authorised 90,94,04,600 Equity Shares of ₹ 10/- Each Fully Paid Up (90,94,04,600 Equity Shares of ₹ 10/- Each Fully Paid Up)	9,094,046,000	9,094,046,000
Issued, Subscribed and Fully Paid up 3,54,22,688 Equity Shares of ₹ 10/- Each Fully Paid Up (3,54,22,688 Equity Shares of ₹ 10/- Each Fully Paid Up)	354,226,880	354,226,880
Total	354,226,880	354,226,880

Note 2.1 A

Reconciliation of No. of Shares Outstanding	2015-16	2014-15
	Number	Number
At the beginning of the year	35,422,688	35,422,688
At the end of the year	35,422,688	35,422,688

Note 2.1 B

Number of Shares Held by Each Shareholder holding More Than 5%	2015-16		2014-15	
	No. of Shares	% age	No. of Shares	% age
The President of India	35,415,677	99.98	35,415,677	99.98



Note No. 2.2

(Amount in ₹)

Reserve & Surplus	2015-16	2014-15
A) Capital Reserves		
Balance as at the beginning and end of the year	210,020	210,020
B) General Reserve		
Balance as at the beginning of the year	191,500,000	171,500,000
Add: Addition during the year	20,000,000	20,000,000
Balance as at the end of the year	211,500,000	191,500,000
C) CSR Reserve		
Balance as at the beginning of the year	-	786,493
Add: Addition during the year		-
Less: Utilised during the year		786,493
Balance as at the end of the year	-	-
D) Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	1,617,156,875	1,451,999,261
Less: Depreciation on transition to Schedule II of Companies Act, 2013	-	436,619
Add: Profit/(Loss) for the year	245,462,697	270,862,063
Less: Proposed Dividend	108,154,689	70,845,376
Less: Dividend Distribution Tax	22,017,751	14,422,454
Less: Transfer to General Reserves	20,000,000	20,000,000
Balance as at the end of the year	1,712,447,132	1,617,156,875
Total	1,924,157,152	1,808,866,895



Note No. 2.3

(Amount in ₹)

Other Long Term Liabilities	2015-16	2014-15
Trade Payables		
- Micro, Small & Medium Enterprises #	-	-
- Others	886,337,858	563,566,020
Other Liabilities		
- Security Deposits, Retention & EMD Payable	2,461,179,591	1,833,179,498
-Advance Received from Client	111,747,693	121,156,946
- Others	67,134	109,182
Total	3,459,332,276	2,518,011,646

Note No. 2.4

(Amount in ₹)

Long Term Provisions	2015-16	2014-15
Employee Benefits:		
-Leave Encashment	111,420,118	108,806,526
-Long Service Award	4,221,363	4,878,341
-Post Retirement Medical Benefits	157,289,999	120,540,590
-Post Retirement Travelling Allowance	219,738	-
Total	273,151,218	234,225,457

Note No. 2.5

(Amount in ₹)

Trade Payables	2015-16	2014-15
Trade Payables		
- Micro, Small & Medium Enterprises #	-	-
- Others	2,819,841,540	4,055,913,891
Total	2,819,841,540	4,055,913,891

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



Note No. 2.6

(Amount in ₹)

Other Current Liabilities	2015-2016	2014-2015
Advance From Clients	3,460,491,901	3,965,607,217
Security, Retention & Earnest Money Payable	585,546,152	653,162,680
Outstanding Liabilities	24,807,387	30,897,661
Amount Payable to Others	1,564,637,819	3,393,073,060
Advance Revenue for Works	1,192,716,789	858,963,871
Payable to Employees	34,991,032	75,896,245
Statutory Liabilities	232,747,864	94,778,034
Total	7,095,938,944	9,072,378,768

Note No. 2.7

(Amount in ₹)

Short Term Provisions	2015-2016	2014-2015
Proposed Dividend	108,154,689	70,845,376
Dividend Tax	22,017,751	14,422,454
Employee Benefits		
-Leave Encashment	20,878,924	19,264,617
-Gratuity	7,630,422	4,413,112
-Long Service Award	928,093	1,298,259
-Post Retirement Medical Benefits	13,074,892	8,253,620
-Post Retirement Travelling Allowance	53,201	-
Total	172,737,972	118,497,438



Note No. 2.8
Fixed Assets

(Amount in ₹)

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NETBLOCK			
	OPENING	ADDITIONS	ADJUSTMENTS	SALE/ WRITTEN OFF	TOTAL	OPENING BALANCE	FOR THE YEAR	ADJUSTMENTS	WRITTEN BACK	TOTAL	As at 31st March, 2016	As at 31st March, 2015
(a) TANGIBLE ASSETS												
LAND FREEHOLD	-	-	-	-	-	-	-	-	-	-	-	-
LAND LEASEHOLD	1,615,856	-	-	-	1,615,856	-	283,104	-	-	283,104	1,332,752	1,615,856
BUILDING FREEHOLD	4,687,325	-	-	-	4,687,325	2,316,272	137,825	-	-	2,454,098	2,233,227	2,371,053
BUILDING LEASEHOLD*	64,181,961	-	-	-	64,181,961	21,739,174	1,227,919	-	-	22,967,093	41,214,868	42,442,787
COMPUTER AND EQUIPMENTS OFFICE AND OTHER	44,064,437	4,374,298	(88,893)	3,543,250	44,796,592	37,746,243	2,784,486	(84,479)	3,356,667	37,089,583	7,707,008	6,308,193
EQUIPMENTS	19,089,966	2,050,210	-	347,385	20,792,791	13,171,613	2,233,369	-	303,326	15,101,656	5,691,135	5,918,353
CONSTRUCTION EQUIPMENTS	58,845,104	4,910,832	-	-	63,755,936	40,891,813	1,733,649	-	-	42,725,462	21,030,475	17,853,292
FURNITURES & FIXTURES	21,696,336	1,307,823	-	94,732	22,909,427	11,102,305	2,065,227	-	77,252	13,090,280	9,819,147	10,594,031
VEHICLES	6,915,422	1,920,842	-	1,410,320	7,425,944	4,174,929	424,569	-	1,331,413	3,268,085	4,157,859	2,740,493
SUB TOTAL	221,086,407	14,564,005	(88,893)	5,395,687	230,165,832	131,242,349	10,890,148	(84,479)	5,068,658	136,979,362	93,186,471	89,844,058
CAPITAL WORK IN PROGRESS	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	221,086,407	14,564,005	(88,893)	5,395,687	230,165,832	131,242,349	10,890,148	(84,479)	5,068,658	136,979,362	93,186,471	89,844,058
(b) INTANGIBLE ASSETS												
SOFTWARES (ACQUIRED)	6,794,626	148,605	88,893	-	7,032,124	5,487,756	524,791	84,479	-	6,097,026	935,098	1,306,869
SUB TOTAL	6,794,626	148,605	88,893	-	7,032,124	5,487,756	524,791	84,479	-	6,097,026	935,098	1,306,869
INTANGIBLE ASSETS UNDER DEVELOPMENT	4,098,052	1,400,991	-	-	5,499,043	-	-	-	-	-	5,499,043	4,098,052
GRAND TOTAL	231,979,085	16,113,601	-	5,395,687	242,696,988	136,730,105	11,414,939	-	5,068,658	143,076,388	99,620,612	95,248,980
PREVIOUS YEAR	220,259,088	13,445,356	-	1,725,360	231,979,085	127,997,297	9,961,864	436,619	1,665,674	136,730,105	95,248,980	92,261,791

Note: Depreciation for the year includes Rs. 506,782 as depreciation related to previous years (Previous year Rs. Nil)

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



Note No. 2.9

(Amount in ₹)

Deferred Tax Assets (Net)	2015-2016	2014-2015
Depreciation on Fixed Assets	(11,732,473)	(11,185,036)
Provision for Doubtful Debts	79,945,778	44,488,418
Provision for Employee Benefits (AS-15)	41,021,332	42,729,875
Other Disallowances	109,488	108,536
Total	109,344,125	76,141,793

Note No. 2.10

(Amount in ₹)

Long term Loans and Advances	2015-2016		2014-2015	
(Unsecured, Considered Good Unless Stated Otherwise)				
Advance for Works:				
-Mobilization Advance Secured Against BG	95,579,520		117,368,278	
-Secured against Material	30,248,479		-	
-Other Advances	450,389,106		405,542,287	
Less: Provision for Doubtful Advances	(82,249,085)	493,968,020	(83,135,826)	439,774,739
Staff Loans & Advances*		3,449,015		3,408,807
Security, Retention & Earnest Money Receivable	1,828,061,598		1,188,009,904	
Less: Provision for Doubtful Recovery	(31,526,978)	1,796,534,620	(22,874,840)	1,165,135,064
Income Tax Recoverable (Net of Provision of Income Tax)		90,179,373		142,046,349
Advance FBT		600,139		600,139
Work Contract Tax Recoverable		133,558,440		87,555,300
Sales Tax Recoverable		11,990,560		8,086,237
Advance Sales Tax		20,525,693		20,525,693
Advance Service Tax		900,000		1,111,207
Amount Recoverable - Others	422,781,100		414,154,667	
Less: Provision for doubtful recovery	(48,589,600)	374,191,500	-	414,154,667
Total		2,925,897,360		2,282,398,202

*Staff Loans & Advances includes advances to Officers amounting to ₹ 9,60,443 (Previous year ₹ 796,696)



Note No. 2.11

(Amount in ₹)

Other Non Current Assets	2015-2016		2014-2015	
(Unsecured Considered Good)				
Trade Receivables Outstanding For:				
- More Than Six Months	711,540,853		556,431,416	
Less: Provision for Doubtful Debts	(68,638,089)	642,902,764	(22,538,855)	533,892,561
Total		642,902,764		533,892,561

Note No. 2.12

(Amount in ₹)

Inventories	2015-2016	2014-2015
Materials : (Lower of Cost or NRV)		
- Steel	65,281,375	104,757,172
- Cement	982,334	3,066,497
- Pipes	19,275,860	27,705,428
Total	85,539,569	135,529,097

Note No. 2.13

(Amount in ₹)

Trade Receivables	2015-2016	2014-2015
(Unsecured Considered Good)		
Trade Receivables Outstanding For:		
- Less Than Six Months	1,210,220,151	2,396,163,896
- More Than Six Months	499,958,695	553,198,592
Total	1,710,178,846	2,949,362,488



Note No. 2.14

(Amount in ₹)

Cash and Bank Balances	2015-2016		2014-2015	
Cash & Cash Equivalents:				
Cash In Hand		92,808		137,811
Cheques In Hand		20,000		31,501
Balances With Banks				
- In Current Accounts*	201,598,086		122,580,396	
- Fixed Deposit (With Maturity Upto 3 Months)**	<u>2,230,288,815</u>	<u>2,431,886,901</u>	<u>1,359,098,855</u>	<u>1,481,679,251</u>
Other Bank Balances:				
Fixed Deposits **(Pledged Against Margin Money / Earnest Money)		64,992,279		63,178,801
Fixed Deposit ** (With Maturity More Than 3 Months but less than 12 months)		569,046,334		494,676,520
Total		3,066,038,322		2,039,703,884

*Out of the above Balance in Current Account ₹ 35,156,148 (previous year ₹ 27,661,809) is held as deposit on behalf of client.

**Out of the above Balance in Fixed Deposits ₹ 1,912,004,574 (previous year ₹ 135,33,37,869) is held as deposit on behalf of client.

Note No. 2.15

(Amount in ₹)

Short Term Loan & Advances	2015-2016		2014-2015	
(Unsecured, Considered Good Unless Stated Otherwise)				
Advance for Works:				
-Mobilization Advance Secured Against BG	926,708,437		1,872,973,139	
-Secured Against Material	274,213,435		338,809,031	
-Other Advances	<u>1,604,034,248</u>	<u>2,804,956,120</u>	<u>1,192,658,425</u>	<u>3,404,440,595</u>
Work Contract Tax Recoverable		220,014		229,464
Advance Sales Tax		45,419,285		23,004
Advance Service Tax		46,315,422		933,948
Staff Loans & advances		3,016,139		2,530,478
Security, Retention & Earnest Money Receivable		433,148,986		730,057,183
Total		3,333,075,966		4,138,214,672



Note No. 2.16

(Amount in ₹)

Other Current Assets	2015-2016	2014-2015
Interest Accrued but not due on Bank Deposits	50,962,335	23,047,081
Prepaid Expenses	41,189,545	51,872,718
Recoverable From Others	703,115,032	1,873,069,582
Unbilled Revenue	3,331,521,506	3,963,639,918
Total	4,126,788,418	5,911,629,299

Note No. 2.17

(Amount in ₹)

Revenue From Operations	2015-2016	2014-2015
Value of Work Done*	12,930,681,145	10,295,463,454
Consultancy Fees	-	4,561,963
Other Operating Income	23,963,244	12,795,969
Total	12,954,644,389	10,312,821,386

* Due to foreclosure/ reduction in scope of work turnover for the current year is reduced by ₹ 1,252,677,011 and profit is reduced by ₹ 69,070,911

Note No. 2.18

(Amount in ₹)

Other Income	2015-2016	2014-2015
Interest Income earned on:		
Deposits with Bank	71,429,499	27,514,613
Staff Advances	275,539	358,650
Other (Sub Contractor/Clients /I.T. Refund)	165,414,698	205,220,431
	237,119,736	233,093,694
Other non-Operating Income		
Unspent Liabilities/ Balances Written Back	11,098,835	8,665,497
Miscellaneous Income	27,657,192	25,223,759
Prior Period Other Income	1,420,296	-
	40,176,323	33,889,256
Total	277,296,059	266,982,950



Note No. 2.19

(Amount in ₹)

Operating Expenses	2015-2016	2014-2015
Civil, Mechanical, Electrical Works	11,234,108,462	8,938,566,224
Design & Consultancy Charges	137,954,909	92,288,774
Other Direct Expenditure	268,598,474	130,519,326
Claims Paid	3,344,277	11,246,982
Royalty	5,435,522	4,017,026
Liquidated Damages Paid	-	103,293
Prior Period Operating Expenses	(179,098)	(15,040,159)
Total	11,649,262,546	9,161,701,466

Note No. 2.20

(Amount in ₹)

Employee Remuneration and Benefits	2015-2016		2014-2015	
	Operating	Administrative	Operating	Administrative
Salary & Allowances	280,189,439	313,096,461	233,886,904	323,128,166
Contribution to Provident & Other Funds	18,203,633	24,401,565	15,707,612	25,199,349
Medical Expenses	4,930,250	77,938,294	5,902,348	36,460,212
Rajbhasha Expenses	-	1,128,061	-	472,038
Leave Encashment	-	35,502,633	-	25,309,925
Gratuity	-	7,630,422	-	4,413,112
Staff Welfare	12,504,011	9,536,941	9,237,297	9,688,257
Prior Period Employee Remuneration and Benefits	-	-	-	234,335
Total	315,827,333	469,234,377	264,734,161	424,905,394
Total Operating & Administrative	785,061,710		689,639,555	

Note No. 2.21

(Amount in ₹)

Finance Cost	2015-2016	2014-2015
Interest Paid to:		
- Bank	23,316,483	29,193,746
- Others	34,776,494	41,421,461
Total	58,092,977	70,615,207



Note No. 2.22

(Amount in ₹)

Other Expenses	2015-2016		2014-2015	
	Operating	Administrative	Operating	Administrative
Printing & Stationery	3,457,768	7,224,611	3,225,112	6,831,851
Rates & Taxes	18,217	4,285,803	133,345	3,260,956
Postage & Telecommunication	4,222,165	9,206,677	3,384,106	10,660,925
Repair & Maintenance-Office	7,225,200	20,694,673	6,584,128	22,171,714
Repair & Maintenance-Fixed Assets	82,624	345,387	26,024	248,336
Repair & Maintenance-Building	-	1,724,279	-	923,244
Water Power & Fuel charges	1,662,285	18,985,101	2,069,111	11,587,311
Tendering Expenses	630	2,755,581	78,802	3,552,273
Advertisement & Publicity	772,603	8,236,342	-	6,257,007
Legal & Professional Charges	3,701,706	33,345,668	4,351,368	30,028,775
Insurance	1,207,227	1,276,095	1,325,986	1,280,960
Entertainment	866,908	1,513,803	592,489	1,300,026
Bank Charges	5,292,169	2,417,593	13,271,793	3,087,268
Vehicle Running & Maintenance	392,533	2,899,756	427,763	3,383,558
Manpower Development	-	1,843,090	-	1,112,427
Loss on sale of Fixed Assets	-	150,574	-	3,967
Sponsorship Fee	-	11,500	-	11,236
Travelling & Other Incidental Expenses (Domestic)	41,487,537	36,959,492	35,953,489	33,857,512
Travelling & Other Incidental Expenses (Foreign)	-	10,693,855	-	5,068,715
CSR & Sustainability	-	3,096,066	-	1,625,173
Auditor's Remuneration	-	2,334,315	-	2,271,346
Business Promotion	489,095	1,480,366	278,941	2,477,044
Rent Office	5,567,840	4,715,047	5,008,497	3,777,302
Computer Expenses	127,118	4,579,261	76,061	3,916,631
Membership & Subscription Fee	1,000	754,916	1,000	1,372,267
Filing & Registration Fee	36,969	8,754,231	91,183	22,767
Provision for Doubtful Debts, Loans & Advances	58,077,230	-	-	-
Amounts Written off	522,823	4,311,752	75,483	3,346,377
Assets Written off	-	-	-	44,197
Foreign Exchange Variation (Gain)/ Loss	-	10,823,160	-	(11,943,813)
Miscellaneous Expenses	2,324,531	3,160,654	1,873,458	2,825,150
Prior Period Other Expenses	-	75,000	(135,000)	2,761,000
Total	137,536,178	208,654,648	78,693,138	157,123,502
Total Operating & Administrative		346,190,826		235,816,640

Travelling and other incidental expenses includes ₹ 9,756,985 towards site living hardship expenses (previous year ₹ 10,092,808) and travelling expenses of directors ₹ 7,062,104 (previous year ₹ 5,915,517)



(Amount in ₹)

Auditors' Remuneration	2015-2016	2014-2015
Statutory Audit	1,415,422	1,384,837
Tax Audit	332,981	330,079
Cost Audit	57,443	56,430
Other Expenses	528,469	500,000
Total	2,334,315	2,271,346

(Amount in ₹)

Prior Period Adjustments (Net)	2015-2016		2014-2015	
	Operating	Administrative	Operating	Administrative
Income				
Operating Income	179,098	-	-	-
Other Income	-	1,420,296	-	-
Less: Expenses				
Operating Expenses	-	-	(15,040,159)	-
Employee Remuneration and Benefits	-	-	-	234,335
Depreciation	-	-	-	-
Interest	-	-	-	-
Legal & Professional	-	75,000	-	-
Others	-	-	(135,000)	2,761,000
Total	179,098	1,345,296	15,175,159	(2,995,335)

Note No. 2.23

(Amount in ₹)

	Contingent Liabilities	As on 31.03.16	As on 31.03.15
1	In respect of legal and Arbitration:		
a	Claims pending for adjudication, amount thereof has been taken wherever quantified or reasonably ascertainable	4,270,330,598	4,633,276,434
b	In respect of cases where awards are published in favour of company but defendants have gone to appeal.	120,104,234	99,291,791
2	In respect of Indemnity bonds issued to Clients	-	11,000,000
3	In respect of Income Tax/ Sales Tax / Works Contract Tax/ Service Tax demand in respect of completed assessments under dispute/appeals	380,051,544	188,790,585

Against the above, the Company has corresponding counter claims.



Note No. 2.24

Estimated amount of contracts remaining to be executed on Development of Intangible Asset and not provided for ₹ 12,511,711 (previous year ₹ 13,363,509) on account of implementation of ERP.

Note No. 2.25

Expenditure in Foreign Currency:

(Amount in ₹)

Sl.No.	Particulars	Year ended 31.03.16	Year ended 31.03.15
1	Operational Expenditure	4,244,355,716	5,048,576,942
2	Professional & Consultancy Charges	33,097,498	41,430,584
3	Foreign Exchange Fluctuation Loss	10,574,739	-
4	Purchase of Fixed Assets	421,523	820,684
5	Administrative & Other Expenses		
a	Travel	7,089,489	7,097,684
b	Tendering Expenses	87,502	1,582,732
c	Others	77,124,535	44,879,424
	TOTAL	4,372,751,002	5,144,388,049

Earning in foreign currency:

Sl.No.	Particulars	Year ended 31.03.16	Year ended 31.03.15
1	Work Receipts	4,977,754,198	5,914,180,245
2	Interest Income	12,037,989	5,312,459
3	Foreign Exchange Fluctuation Gain	-	11,943,813
4	Others	3,136,809	36,620
	TOTAL	4,992,928,996	5,931,473,138

Surplus received from Oman & Srilanka ₹ 835,839,755 equivalent USD 12,908,450 (previous year ₹ 825,549,625 equivalent USD 13,350,000) during the financial year 2015-16.

Note No. 2.26

- a) Company has availed non fund based credit limits of ₹ 6,533,565,535 (Previous year ₹ 6,092,895,671) from banks without any security.
- b) As on 31.03.2016 Company has pledged fixed deposits amounting to ₹ 64,992,279 (Previous year ₹ 63,178,801) 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, 2016				March 31, 2015			
	Domestic	Foreign	Un-allocated	Total	Domestic	Foreign	Un-allocated	Total
Type of Business	Construction				Construction			
Revenue from Operation	7,976,890,190	4,977,754,199	-	12,954,644,389	4,398,641,142	5,914,180,245	-	10,312,821,386
Other Income	158,174,490	15,174,799	103,946,770	277,296,059	228,869,407	5,349,079	32,764,464	266,982,950
Total Income	8,135,064,680	4,992,928,997	103,946,770	13,231,940,447	4,627,510,549	5,919,529,324	32,764,464	10,579,804,336
Results								
Profit before Interest, Depreciation and Tax	220,294,614	372,436,873	(141,306,121)	451,425,365	69,393,201	486,230,435	(62,976,963)	492,646,674
Interest	34,776,067	122,119	23,194,790	58,092,977	41,418,347	-	29,196,860	70,615,207
Depreciation	5,973,935	848,648	4,592,357	11,414,940	5,391,858	485,584	4,084,422	9,961,864
Profit before Tax	179,544,612	371,466,105	(169,093,268)	381,917,449	22,582,997	485,744,852	(96,258,244)	412,069,604
Tax Expense				136,454,752	-	-	-	141,207,541
Profit After Tax	179,544,612	371,466,105	(169,093,268)	245,462,697	22,582,997	485,744,852	(96,258,244)	270,862,063
Other Information								
Total Assets	12,239,392,237	2,029,742,439	1,830,251,306	16,099,385,982	14,200,273,507	3,107,306,444	854,541,023	18,162,120,975
Fixed Assets (Net Block)	34,732,538	5,342,253	59,545,820	99,620,612	33,407,630	2,077,693	59,763,657	95,248,980
Total Liabilities	11,047,189,405	2,232,453,706	541,358,841	13,821,001,953	12,430,802,887	3,103,105,292	465,119,022	15,999,027,201
Capital Expenditure Addition to Fixed Assets	7,400,111	4,113,209	4,600,281	16,113,600	6,791,624	820,684	5,833,049	13,445,356

Note No. 2.28

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

(Amount in ₹)

Sl. No.	Particulars	As on 31.03.2016	As on 31.03.2015
1	Revenue from operations	12,954,644,389	10,312,821,386
2	Contract costs incurred and profit recognised upto the reporting date	68,152,128,877	55,547,810,810
3	Advances received	3,572,239,594	4,086,764,163
4	Gross amount due from customers for contract work- presented as an asset	3,331,521,506	3,963,639,918
5	Gross amount due to customers for contract work – presented as a liability	1,192,716,789	858,963,871
6	Retention money Receivable	2,158,358,893	1,809,829,253



Note No. 2.29

Employee benefits:

The company has classified various employee benefits as under:

- a) Contribution to Provident Fund ₹ 40,896,431 (previous year ₹ 38,380,779) has been charged to Profit and Loss Account. Further, the fund has interest shortfall of ₹ 1,265,535 (previous year ₹ 1,920,013) for the year which has been compensated and charged to Profit and Loss Account.
- b) The company also provides for gratuity, long term compensated absences, post-retirement medical benefits and Long service award, one time post retirement travelling allowance on actuarial basis.

i) Changes in defined benefit obligation

(Amount in ₹)

Particulars	Gratuity	Long term compensated absences	Long service award	Post-retirement medical benefit	Post-retirement Travel Allowance
	(Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)
Discount rate	7.91% (9.00%)	7.91% (9.00%)	7.91% (9.00%)	7.91% (9.00%)	7.91% -
Rate of increase in compensation levels/ Premuim Inflation/ Cost of Travel *	5.00%	5.00%	-	0.50%	3.00%
Expected rate of return on assets *	7.91%	-	-	-	-
Retirement Age *	60 years	60 years	60 years	60 years	60 years
Mortality Table*	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	Pre-retirement: IALM (2006-08) Ultimate Post Retirement: LIC (1996-98) Ult	IALM (2006-08) Ultimate
Average reimbursement per Couple	-	-	-	Rs. 53,894	-
	-	-	-	(Rs. 46,060)	-
Age*	Employee Turnover (%)				
Upto 30 Years	3.00%	3.00%	3.00%	3.00%	3.00%
From 31 to 44 Years	2.00%	2.00%	2.00%	2.00%	2.00%
Above 44 Years	1.00%	1.00%	1.00%	1.00%	1.00%

* Same as previous year



Particulars	Gratuity	Long term compensated absences	Long service award	Post-retirement medical benefit	Post-retirement Travel Allowance
	(Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)
Projected Benefit Obligation at the beginning of year	139,897,910 (145,380,147)	128,071,143 (124,911,989)	6,176,600 (6,673,650)	128,794,211 (122,972,341)	- -
Current service cost	10,688,978 (12,015,661)	7,720,582 (7,961,890)	350,973 (356,839)	5,836,205 (4,673,849)	272,939 -
Interest cost	11,958,632 (12,897,561)	11,006,921 (10,966,783)	513,266 (569,572)	11,482,695 (11,178,270)	- -
Actuarial (Gain)/loss	(4,223,917) (8,434,638)	16,775,130 (6,381,252)	(743,306) (289,810)	47,631,745 (8,405,230)	- -
Acquisition adjustment	1,643,584 -	- -	- -	- -	- -
Benefits Paid	(22,531,027) (21,960,821)	(31,274,734) (22,150,771)	(1,148,077) (171,327)	(23,379,965) (18,435,479)	- -
Projected Benefit Obligation at end of year	137,434,160 (139,897,910)	132,299,042 (128,071,143)	5,149,456 (6,176,600)	170,364,891 (128,794,211)	272,939 -

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

(Amount in ₹)

Particulars	2015]-16 (Funded)	2014-15 (Funded)
Fair value of Plan Assets as at beginning of the year	135,484,798	144,994,542
Expected Return on Plan Assets	11,378,326	11,273,382
Actual Contributions	4,413,112	385,605
Actuarial Gain / (Loss)	(585,055)	792,090
Benefits Paid	(22,531,027)	(21,960,821)
Acquisition Adjustment	1,643,584	-
Fair value of Plan Assets as at end of the year	129,803,738	135,484,798



iii) Amount recognized in the Balance Sheet

(Amount in ₹)

Particulars	Gratuity	Long term compensated absences	Long service award	Post-retirement medical benefit	Post-retirement Travel Allowance
	(Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)
Defined benefits obligation as at end of year	137,434,160 <i>(139,897,910)</i>	132,299,042 <i>(128,071,143)</i>	5,149,456 <i>(6,176,600)</i>	170,364,891 <i>(128,794,211)</i>	272,939 -
Fair value of plan assets as at end of year	129,803,738 <i>(135,484,798)</i>	- -	- -	- -	- -
Funded Status Asset / (Liability)	(7,630,422) <i>((4,413,112))</i>	(132,299,042) <i>((128,071,143))</i>	(5,149,456) <i>((6,176,600))</i>	(170,364,891) <i>((128,974,211))</i>	(272,939) -
Net (Liability)/ Asset recognized in Balance Sheet	(7,630,422) <i>((4,413,112))</i>	(132,299,042) <i>((128,071,143))</i>	(5,149,456) <i>((6,176,600))</i>	(170,364,891) <i>((128,974,211))</i>	(272,939) -

iv) Expenses recognized in the Profit and Loss Account

(Amount in ₹)

Particulars	Gratuity	Long term compensated absences	Long service award	Post-retirement medical benefit	Post-retirement Travel Allowance
	(Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)	(Un-Funded)
Current Service cost	10,688,978 <i>(12,015,661)</i>	7,720,582 <i>(7,961,890)</i>	350,973 <i>(356,839)</i>	5,836,205 <i>(4,673,849)</i>	272,939 -
Interest cost	11,958,632 <i>(12,897,561)</i>	11,006,921 <i>(10,966,783)</i>	513,266 <i>(569,572)</i>	11,482,695 <i>(11,178,270)</i>	- -
Expected return on Plan Assets	(11,378,326) <i>((11,273,382))</i>	- -	- -	- -	- -
Net actuarial (Gain)/ Loss recognized in the period	(3,638,863) <i>((9,226,728))</i>	16,775,130 <i>(6,381,252)</i>	(743,306) <i>(289,810)</i>	47,631,745 <i>(8,405,230)</i>	- -
Expenses recognized in the P & Loss A/c	7,630,422 <i>(4,413,112)</i>	35,502,633 <i>(25,309,925)</i>	120,933 <i>(984,488)</i>	64,950,645 <i>(37,460,379)</i>	272,939 -

Figures of Previous year are indicated in italics & 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) (upto 30.11.2015)
 - Shri K.S. Rao, Part-time Non-Official Director
 - Shri Sushant Baliga, Part-time Non-Official Director
 - Smt. Anita Chaudhary, Part-time Non-Official Director
- *Holding additional charge of Director (Finance) w.e.f. 01.12.2015 to 31.05.2016.

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

(Amount in ₹)

Particulars	2015-16	2014-15
Salary	9,320,268	7,223,577
Contribution to provident fund	634,289	667,512
House rent	1,379,430	1,520,506
Medical Expenses	658,448	303,112
Sitting fees	245,000	155,000

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 2016		As at 31 March 2015	
	Quantity (MT)	Value (Rs.)	Quantity (MT)	Value (Rs.)
CEMENT	173.85	982,334	570.92	3,066,497
STEEL	1,530.89	65,281,375	2,212.21	104,757,172
STEEL PIPES	58856 (RMT)	19,275,860	93142.22 (RMT)	27,705,428



Note No. 2.32

Lease rental expenses under the cancellable operating leases amounting to ₹ 10,282,887 (previous year ₹ 8,785,799) 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

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

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)
Dividend	70,845,376	108,154,689	70,845,376	-	108,154,689
Dividend Tax	14,422,454	22,017,751	14,422,454	-	22,017,751
Project Contingencies	128,549,521	102,454,231	-	-	231,003,751
Employee Benefits	267,455,065	108,477,572	60,215,888	-	315,716,749
Total	481,272,416	341,104,243	145,483,718	-	676,892,940
Previous Year	462,538,066	144,677,035	125,570,673	372,012	481,272,416

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

In accordance with provisions of Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average of its net profit from the immediately preceding three financial years on Corporate Social Responsibility (CSR). Gross amount required to be spent by the Company for CSR during the year is ₹ 4,242,421. Amount spent during the year:

Particulars	In Cash	Yet to be paid in Cash	Total
Construction/acquisition of any asset			
On purposes other than (i) above	3,096,066	-	3,096,066

Amount left unspent for CSR activities as on 31st March 2016 is ₹ 1,146,355.

Note No.2.38

During the year, the company has changed its Accounting Policy No.10 on Provision for Doubtful Debts/ Loans and Advances. As a result, the current year expenses on account of Provision for Doubtful Debts/ Loans and Advances are higher by ₹ 580,77,230 current year profit is lower by ₹ 580,77,230 and assets are lower by ₹ 580,77,230 of the Company.

Note No.2.39

During the year ended on 31.03.2016 amount of ₹ 3,511,339 (Previous Year ₹ 3,511,339) related to Performance Related Pay/ Pay Commission Arrears is pending for release to certain employees on non-availability of requisite information.

Note No. 2.40

Basic and diluted earnings per share are computed by dividing net profit after tax ₹ 245,462,697 (previous year ₹ 270,862,063) by 35,422,688 fully paid up equity share of ₹ 10 each.

	2015-16	2014-15
Basic and diluted earnings per share (₹)	6.93	7.65

Note No. 2.41

The previous year figures have been reclassified/ regrouped to conform to 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/- (Vino0 Gopal) Director (Projects)	Sd/- (SPS Bakshi) Chairman-cum-Managing Director
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For GSA & Associates
Chartered Accountants
Firm Registration No. 000257N

Place : New Delhi
Date : 05th September, 2016

Sd/-
Ashish Arya
Membership No. 533967



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF ENGINEERING PROJECTS (INDIA) LIMITED FOR THE YEAR ENDED 31 MARCH 2016

The preparation of financial statements of Engineering Projects (India) Ltd. for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 5 September 2016.

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 Engineering Projects (India) Limited for the year ended 31 March 2016. 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 auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

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

Place: New Delhi

Dated: 29 September 2016



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

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

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